



2012 RCMP Provincial and Territorial Police Service Agreements

Companion Document

2014

COMPANION DOCUMENT

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Date: NOV 27 2014

2012 RCMP Provincial and Territorial
Police Service AgreementsCompanion Document

On behalf of the Contract Management Committee (CMC), and as contemplated by the definition of Companion Document in the 2012 RCMP provincial and territorial police service agreements, we are pleased to endorse the initial version of the "Police Service Agreement Interpretation and Administrative Procedures Guide" to the 2012 RCMP Provincial and Territorial Police Service Agreements (the "Companion Document").

This document has been prepared in collaboration and consultation between the contract parties to assist with the interpretation and implementation of the Agreements. However, this document does not form part of the Agreements. Pursuant to Article 21 of the Agreements, the Contract Management Committee will maintain, approve and update changes to the Companion Document, keeping it evergreen during the term of the PSA.



Federal CMC Co-Chair



Provincial/Territorial CMC Co-Chair

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ACRONYMS AND COMMON TERMINOLOGY

Abbreviation / Term	Definition
APC	Accommodations Program Charge
Agreement	capitalized when referring to the Provincial/Territorial Police Service Agreements (P/TPSA); includes only P/TPSA; if referring to all contract policing agreements, is PSA
business lines	In the context of the Companion Document, the term business lines may include some or all of the following RCMP services: Provincial/Territorial Police Service, Federal Police Service, RCMP Municipal Police Services, First Nations Community Police Services, and Airport Policing
contract jurisdictions	provinces, territories and/or Municipalities with RCMP police services
contract parties	Public Safety Canada, RCMP and provinces, territories and Municipalities with RCMP contract police services
CAP	Contract and Aboriginal Policing, RCMP Headquarters, Ottawa
CC	cost centre
CE	cost element
CEO/Mayor	Chief Executive Officer or Mayor of a Municipality with RCMP Municipal Police Services
CISC	Current Issues Standing Committee (subcommittee of CMC)
DEP	Departmental Evaluation Plan
FCC	Finance and Cost Containment Standing Committee (subcommittee of CMC)
Force	refers to RCMP as an organization
HRSC	Human Resources Standing Committee (subcommittee of CMC)
MOA	Memorandum of Agreement
MPSA	Municipal Police Service Agreement
MPUA	Municipal Police Unit Agreement
NPSC	National Programs Standing Committee (subcommittee of CMC)
NEG	New Entrants Guidelines
O&M	operating and maintenance
O/RMS	operational records management systems
OSFI	Office of the Superintendent of Financial Institutions
PPSA	Provincial Police Service Agreement
PRIME	O/RMS system used in British Columbia.
PROS	Police Reporting and Occurrence System - O/RMS system used by contract jurisdictions except British Columbia.
PSA	Police Service Agreement - In the context of the Companion Document, the term refers to the Provincial or Territorial Police Service Agreement. It does not include MPSAs or MPUAs.
PT	province and/or territory with RCMP Provincial or Territorial Police Service Agreements
PTM	province and/or territory and Municipality with RCMP contract police services
RBAP	Risk Based Audit Plan
RPSC	Real Property Standing Committee (subcommittee of CMC)
RCMP Program	defined in the Agreements; commonly referred to as National Programs
Service	In the context of the Companion Document, the term Service refers to the Provincial or Territorial Police Service. It does not include RCMP Municipal Police Services

FOREWORD

The 2012 Provincial/Territorial Police Service Agreements (Agreements) are bilateral arrangements between the federal government and a provincial/territorial government for the use of the RCMP as a Provincial or Territorial Police Service. The 2012 Municipal Police Service Agreements (MPSAs) are bilateral MOAs between the federal government and a municipal government for the use of the RCMP as the Municipal Police Service. The MPSAs flow from the Provincial/Territorial Police Service Agreements, in that most of the terms and conditions are the same, and therefore most of this Companion Document will also apply to the MPSAs.¹ Appendix A contains an overview of the unique provisions of the MPSAs.

While the Agreements provide the framework for RCMP contract policing, they provide limited context or administrative details. The Companion Document is a defined term in the Agreements. It provides information to facilitate, where appropriate, the consistent interpretation and uniform application of the Agreements in contract policing jurisdictions. When applicable, it also explains the variations that are unique to specific jurisdictions' Agreements. The Companion Document does not form part of the Agreements (as per Article 21) and it is not a legally binding document.

Under the Agreements, CMC is responsible for the development and general oversight of the Companion Document. To prepare the initial version of the Companion Document, CMC created the Companion Document Working Group, comprised of federal, provincial and territorial representatives, the RCMP and Public Safety Canada. Subject matter experts were consulted throughout the drafting process. The Companion Document is a living document and will be amended periodically throughout the life of the Agreement to ensure it remains relevant and up-to-date. CMC will oversee any future amendments.

The first edition of the Companion Document has been endorsed by CMC and initialled by CMC co-chairs, as required under the terms of the Agreement. Any subsequent amendments to the Companion Document will also be endorsed by CMC and initialled by CMC co-chairs.

¹ In British Columbia, the MPSA is a bilateral MOA between the federal and provincial governments and Municipal Police Unit Agreements (MPUAs) are bilateral MOAs between the provincial government and a municipal government. British Columbia has a separate Companion Document for its MPUAs. The territories and Newfoundland do not have RCMP municipal police services.

STRUCTURE OF COMPANION DOCUMENT

Each Article has its own section in the Companion Document, broken down into:

- Purpose – includes a statement capturing the essence of the Article;
- Background – includes key considerations, contextual information and linkages to other Articles;
- Interpretation – explains terms and conditions of the Article in plain language; and
- Administration – includes procedural requirements as well as practical guidance for consistent and standardized application, where possible.

A few sections of the Companion Document are structured slightly differently to better capture and explain the complexity of the provisions.

ROLES

While the Agreements give specific positions responsibility, it is recognized that these responsibilities are often delegated. The Federal Minister, the Commissioner, the CO and the PT Minister may delegate others to act on their behalf.

OVERVIEW

The RCMP is Canada's national police service and an agency of Public Safety Canada. The RCMP is unique in the world since it is a national, federal, provincial and municipal policing body.

FEDERAL POLICING

Federal policing is among the core activities of the RCMP and is carried out in every province and territory in Canada, including Ontario and Quebec. The RCMP's federal policing mandate is to investigate drugs and organized crime, economic crime, and terrorist criminal activity, enforce federal statutes, secure Canada's border, conduct international capacity building, liaison and peacekeeping and ensure the safety of major events, state officials, dignitaries and foreign missions.

CONTRACT POLICING

Under the Agreements, the RCMP provides provincial and territorial policing services to all provinces and territories in Canada except Ontario and Quebec, and municipal policing services to approximately 150 municipalities. The Agreements are commonly referred to as contracts, and therefore the policing provided by the RCMP under the Agreements is called contract policing. Approximately 80% of the RCMP workforce is involved in contract policing and contract policing covers 75% of the geography of Canada, including much of rural Canada, all of the Canadian north, and many towns and large urban areas.

Contract policing is also provided to First Nations communities under the First Nations Policing Program (FNPP). The FNPP is administered separately from the Agreements.

The RCMP began providing contract policing services to the provinces as early as 1906. The first municipal contract for policing services was entered with Flin Flon, Manitoba in 1935.

Contract policing is recognized as an effective national policing model to address the cross-jurisdictional (i.e., municipal, provincial, territorial, national and international) and evolving nature of crime.

POLICE SERVICE AGREEMENTS

The current Agreements were entered effective April 1, 2012, for a term of twenty years. All Agreements are essentially the same with a few exceptions where provisions have been customized to meet the specific needs of a province or territory.

The Federal Minister responsible for the RCMP and authorized on behalf of Cabinet to enter into the Agreements with the other levels of government is the Minister of Public Safety and Emergency Preparedness. For the contract jurisdictions, it is the PT Minister responsible for policing/public safety in their respective jurisdiction, and for the municipalities, with the approval of the province, it is the Chief Executive Officer (or Mayor) of the Municipality.

Some key principles that govern the 2012 Agreements include:

- **MODERNIZED RELATIONSHIP** – The contract parties are committed to a more cooperative and collaborative relationship. They will work together to oversee and implement the terms of the 2012 Agreements. This modernized relationship is reflected in the strengthened accountability and enhanced reporting provisions, as well as the expanded role of the former Contract Advisory Committee into the new CMC.
- **MUTUAL BENEFITS** – The contract parties receive benefits from the RCMP acting as their police service. These benefits include: facilitating the flow of intelligence between the levels of policing; promoting Canadian sovereignty; ensuring access to additional police resources for emergencies and events; and sharing the costs and use of common police and administration services.

The value of contract policing to the Government of Canada, both in terms of its tangible and intangible nature, was the subject of a study in the early 2000s. The 2004 RCMP Economic Risk Analysis Report from Deloitte & Touche concluded that Canada is getting significant value from its contribution to contract policing.

- **COST-SHARE** – The costs of contract policing are shared in recognition of the mutual benefits of this policing model. Under the Agreements, the PTs are responsible for 70% of the costs of the RCMP PT Police Service and Canada is responsible for 30%.

There are three types of cost-share ratios for municipalities:

- a. A 70% municipal / 30% Canada cost-share for Municipalities with a population between 5,000 and 14,999;
- b. A 90% municipal / 10% Canada cost-share for Municipalities with a population of 15,000 or more; and
- c. 100% municipal cost for municipalities never policed by the RCMP, subject to the eligibility criteria of the federal New Entrants Guidelines.

RCMP STRUCTURE

The RCMP is structured into five core services: Federal Services; Criminal Intelligence; Contract Policing; National Police Services; and Corporate Infrastructure. While the Agreements govern contract policing, all core services are also delivered in each Division and the CO of the Division is involved in and/or oversees all of these services. Consequently, in any given province or territory, the Division's total resource compliment is actually more than the sum of the PT Police Service and Municipal Police Services.

CAP is the RCMP policy centre in national headquarters responsible for internal policy and direction for all areas of contract policing within the RCMP. CAP also has regional/divisional presence supporting the program at the local level.

The RCMP is organized into 15 Divisions, plus the national headquarters located in Ottawa. Each of the 13 provinces and territories in Canada represents a Division. In addition, there is a National Division (formerly known as A Division) in the National Capital Region and the cadet training academy in Regina, Saskatchewan (Depot or T Division). See Tables 1 and 2 below.



Each Division is under the direction of a CO which is the equivalent of the Chief of Police for a non-RCMP police service.

Administratively, services may be delivered divisionally, regionally or nationally. In terms of regional services, while the regional structure does not exist anymore under the formal RCMP structure, some services continue to be delivered to groups of geographically related Divisions, traditionally grouped under four regions across the country.

Table 1: Contract Jurisdictions, by Division and Region

Division	Jurisdiction	Regional Services
B	Newfoundland and Labrador	Atlantic
D	Manitoba	Northwest
E	British Columbia	Pacific
F	Saskatchewan (excluding RCMP Depot in Regina)	Northwest
G	Northwest Territories	Northwest
H	Nova Scotia	Atlantic
J	New Brunswick	Atlantic
K	Alberta	Northwest
L	Prince Edward Island	Atlantic
M	Yukon	Pacific
V	Nunavut	Northwest

Table 2: Non-contract Jurisdictions, by Division and Region

Division	Jurisdiction	Regional Services
C	Quebec	Central
O	Ontario (excluding the National Capital Region)	Central
T	RCMP cadet training academy in Regina	Northwest
National (formerly A)	National Capital Region, Ontario	Central

The Divisions are divided into geographic areas known as Detachments. A Detachment is a term defined under the Agreement, and is an office or building where Members are stationed to provide law enforcement and crime prevention services within their respective jurisdictional boundary. There are approximately 700 Detachments in Canada, each headed by a Detachment Commander.

PREAMBLE

PURPOSE

This part of the Agreement sets out the constitutional and legal framework for contract policing; identifies the benefits of contract policing; and describes how the contract parties will work together to manage contract policing and implement the terms of the Agreements.

BACKGROUND

The Preamble is the section of the Agreement between the table of contents and Article 1, and is represented in the Agreements by paragraphs A to L.

In the 1992 Agreements, the Preamble attested to the parties' legal authorities to enter into the Agreements. The Preamble has been significantly expanded in the 2012 Agreements, primarily to describe the principles under which the Agreements will be implemented and the manner in which contract policing services will be managed over the course of the subsequent 20 years. More specifically, it outlines the enhanced roles and responsibilities of the contract parties.

The Preamble lays the foundation for a strong and collaborative relationship between the contract parties, and in practice, the concepts apply to the entire Agreement.

INTERPRETATION

INTRODUCTION (SECTIONS A, B AND C)

Sections A, B and C provide the context and framework for policing in Canada. These sections indicate that all levels of government have a role to play in keeping Canadians safe and that they will work together to deliver policing services that are professional and responsive to community needs.

AUTHORITIES (SECTIONS D, E, F, G AND H)

Sections D to H set out the contract parties' obligations under their respective statutes.

Provinces and territories are responsible for the administration of justice which has been interpreted as inclusive of policing. The provinces' authority over policing is found within the *Constitution Act*, whereas this authority is conferred upon each of the territories by means of the *Nunavut Act*, the *Northwest Territories Act* and the *Yukon Act*.

The RCMP is a federal organization. The Commissioner of the RCMP, under the direction of the Federal Minister responsible for the RCMP, is responsible for the control and management of the RCMP.

The various provincial Police Acts and territorial legislations enable each of the provinces and territories to enter an agreement with the federal government which authorizes the RCMP to act as the Provincial or Territorial Police Service. The *RCMP Act* enables the federal government to enter an agreement with a province or territory for the RCMP to act as their Service.

As the Provincial or Territorial Police Service, the RCMP assists the PTs with the administration of justice by implementing the PT policing priorities, goals and objectives as set out by the respective PT Minister.

In keeping with the spirit of the 2012 Agreements, the contract parties formed a new relationship based on consultation and mutual respect of each other's constitutional responsibilities, making a commitment to be responsive to each other's policing needs as they change over the term of the Agreements.

MUTUAL BENEFITS (SECTION I)

This section recognizes that contract policing is an effective policing model capable of addressing the evolving nature of crime and responding to crimes that cross jurisdictional boundaries. It outlines the provincial, territorial, and federal benefits of using the RCMP as the PT Police Service.

Specifically, contract policing:

- facilitates the flow of intelligence and strengthens the cross-jurisdictional network between all levels of policing;
- establishes a direct connection, through the RCMP, between municipal, provincial, territorial, national and international policing that is important to modern policing and security of provincial infrastructure and communities;
- promotes Canadian sovereignty;
- ensures access to additional police resources for redeployment;
- shares costs and the use of common police and administrative services; and
- provides professional, efficient and effective police services at a reasonable cost.

IMPLEMENTATION (SECTION J)

This section outlines the contract parties' commitment to mutual cooperation for the common goal of providing a professional, effective and efficient PT Police Service. The Agreements will be implemented in a manner that:

- ensures that all contract parties will be consulted in a meaningful way and involved in making substantive decisions that may affect the quality or cost of the PT Police Service;
- respects the need to be responsive to changing policing requirements throughout the term of the Agreements;
- ensures the RCMP informs, explains and responds to the contract jurisdiction regarding the PT Police Service and its associated costs; and
- promotes public trust, transparency and accountability.

AUTHORIZING ORDERS (SECTIONS K AND L)

This section of the Agreement confirms each party's legal authority to enter into the Agreement by quoting the Order in Council number for each party.

ARTICLE 1: INTERPRETATION

PURPOSE

Article 1 contains the specific meanings of terms used in the Agreement to provide clarity and common understanding. It also contains a clause that states that the Agreement supersedes any other arrangements for the provision and maintenance of the Service, and that for any other terms or agreements to be binding on the contract parties, they must be referenced in this Agreement.

INTERPRETATION

The defined terms appear in alphabetical order.

Capitalized terms used throughout the Agreements are defined terms that have the special meaning provided in this Article. For example, ‘Buildings’ has the meaning set out in this Article, whereas ‘buildings’ has the common meaning as commonly understood or defined in a dictionary.

Article 1 also lists the annexes by name that are found attached to the Agreements and stipulates that these annexes form part of the Agreement. As the annex numbers are the same for all Agreements, Article 1 of each Agreement also states which annexes are not applicable to that particular Agreement (and are therefore blank).

The use of the singular or the plural form does not affect the meaning of any term used in the Agreement. The use of the singular or the plural form is consistent with the context in which a term is used.

Headings do not form part of the Agreements. They have been included for convenience.

The Agreements constitute the entire and only agreements between the parties for the provision and maintenance of the PT Police Service and supersede all other agreements, regardless of form, unless specifically referenced in this Agreement. Future amendments and supplemental agreements are not precluded.

DIFFERENCES BETWEEN THE VARIOUS PROVINCIAL/TERRITORIAL POLICE SERVICE AGREEMENTS

Some provinces and territories have provisions that are unique to their Agreements in order to meet the specific needs of their jurisdiction. Below, by PT, is a table summarizing those differences as they pertain to Article 1.

Table 3: Article 1 differences between Provincial/Territorial Police Service Agreements

Province/Territory	Distinct element(s)	Explanation
Alberta	Early Adopters clause	<p>The Alberta Police Service Agreement contained an Early Adopters clause under its Article 1 allowing the province to adopt terms negotiated by the other PTs after the execution of its own Agreement which was signed in August 2011.</p> <p>Alberta has elected to adopt certain provisions and to amend its Agreement, allowing for more consistent administration by all parties.</p>
British Columbia	Distinct definition of the term “Municipal Police Service Agreement”	British Columbia has a different contractual relationship with Municipalities with RCMP services. In British Columbia, the Municipal Police Service Agreement is signed by the provincial and federal governments. This Agreement allows the province to enter into a Municipal Police Unit Agreement with a Municipality 5,000 population or more for the provision of RCMP contract police services. In other jurisdictions, the federal government contracts directly with the Municipalities.
Manitoba	Distinct definition of the term “Municipality”	Definition specifically refers to Manitoba’s statutes. The broad definition of Municipality included in the other PT Agreements did not meet Manitoba’s requirements.
New Brunswick	Includes a definition of its provincial “Official Languages Guidelines”	Definition is needed in the context of the indemnification clause under Article 11 (11.8). Due to the requirement for the Service to meet its provincial “Official Languages Guidelines”, the Agreement includes the requirement for the province to accept responsibility when it is not the Service's actions but the sufficiency of the province's guidelines that are challenged.
Newfoundland and Labrador	Not subject to population threshold	With the exception of areas specifically identified in the Newfoundland and Labrador Police Service Agreement, the RCMP is responsible to police all areas of the Province unless the Minister requests otherwise.

Province/Territory	Distinct element(s)	Explanation
Nova Scotia	Distinct definition of the term “Municipality”	Definition specifically refers to Nova Scotia’s statutes. The broad definition of Municipality included in the other PT Agreements did not meet Nova Scotia’s requirements.
Nunavut	Contains unique terms in relation to Inuit languages and the Inuit culture including: “Inuit Qaujimajatuqangit”, “Nunavummiut” and “Tunnganarniq”	These definitions are linked to Nunavut’s specific language and culture requirements which are further stipulated in the Agreement, under provisions aimed at the enhanced performance of duties and services in Inuit language (subarticle 2.1.0 and subparagraph 7.2(a)(i)) as well as the recognition of Nunavut legislation aiming to increase Inuit participation in government employment (subarticle 8.7).
Saskatchewan	Early Adopters clause	The Saskatchewan Police Service Agreement contained an Early Adopters clause under Article 1 allowing the province to adopt terms negotiated by the other PTs after the execution of its own Agreement which was signed in August 2011. Saskatchewan has elected to adopt certain provisions and to amend its Agreement, allowing for more consistent administration by all parties.

There are also some differences among the PT Police Service Agreements in relation to the terminology and definitions of several terms used in the accommodations program under Article 12. This is because there are two different accommodations models. In order to clearly articulate each of these models, the Companion Document addresses them in two separate Article 12 sections.

Lastly, annexes applicable to each Agreement are specified under Article 1. Some annexes for instance, are applicable to one of the two accommodations models, so the annex will be blank in those Agreements where the other accommodations model is being utilized. Annex H relating to PROS costs is not applicable to the British Columbia Police Service Agreement due to utilization of a different system in that province (PRIME).

The Five Year Review of the agreements completed in 2017 identified the following updates to the PSA’s.

1. Commission for Public Complaints Against the RCMP is now known as the The RCMP Civilian Review and Complaints Committee. (Changes to be made under Articles 1.1 vv), 11.2 m)
2. The Minister of Public Works and Government Services is now known as the Minister of Public Services and Procurement. (Changes to be made under Article 1.1 rr) and 10.5 e) ii))
3. The *Royal Canadian Mounted Police Regulations*, 2008 need to reflect the most recent update in 2014. (Change to be made under Article 1.1 ccc).
4. The RCMP Staff Relations Representative Program was dissolved and replaced with the Member Workplace Services Program as an interim mechanism pending the establishment of a new labour relations regime via Bill C-7. (Any change needed should be made under Article 11.6.

These amendments are to be made at the first opportunity as agreements are opened for more substantive amendments.

ARTICLE 2: PURPOSE AND SCOPE

PURPOSE

Article 2 outlines the roles and responsibilities of Canada with respect to the Service. It also describes the role and duties of Members who form the Service. In addition, it contains provisions regarding non-police duties, as well as a provision for the Service to provide temporary assistance or special expertise to other police agencies.

BACKGROUND

The “administration of justice” has been interpreted by all levels of government to include law enforcement. The PT is responsible for law enforcement, but may contract with the federal government to utilize the RCMP as its police service. See the Preamble in the Companion Document for more information.

INTERPRETATION

PROVISION OF PROVINCIAL OR TERRITORIAL POLICE SERVICE AND ANNEX “A”

This section states that Canada will provide and maintain a Service for the PT in accordance with the Agreement. Canada is authorized by the PT to carry out the “powers and duties” required to provide the Service.

Annex “A” of each Agreement sets out the number of authorized positions for Members and Support Staff for the Service and for divisional/regional administration. The definition of Member is found in Article 1 and includes regular members, special constables, special constable members and civilian members². Support Staff is also a term defined in Article 1. See Article 5 for more information on Annex “A”.

DUTIES OF MEMBERS WHO FORM THE PROVINCIAL/TERRITORIAL POLICE SERVICE

The Article outlines the duties of the Members in the Service; these duties originate from the *RCMP Act*. Members of the Service will perform the duties of peace officers and provide services to:

² In the future, the category “civilian member” may be eliminated. Bill C-42 *Enhancing RCMP Accountability Act* received royal assent on June 19, 2013, allowing civilian members to be converted into another category of employee.

- preserve peace;
- protect life and property;
- prevent crime and offences against the laws of Canada and the laws in force in the province or territory (including municipal and Band by-laws which are enforcement related);
- apprehend criminals, offenders and others who may be lawfully taken into custody; and
- execute all warrants and perform all related duties and services that may be executed and performed by peace officers under the laws of Canada or the laws in force in the province or territory.

NON-POLICE DUTIES – MEMBERS OF THE SERVICE ARE NOT REQUIRED TO PERFORM CERTAIN DUTIES

Members of the Service are not required to perform duties or services that are inconsistent with the effective and efficient delivery of police services. However, if the Service is performing non-police duties when the 2012 Agreements come into effect, the Service will continue to perform these duties until the parties agree these duties and/or services will be performed by a third party .

The PT Minister and the Commissioner will identify and discuss these duties and, if feasible, the PT will exercise its best efforts to implement an alternative service delivery mechanism, thereby removing this responsibility from the duties of the Service.

Article 4 does not need to be invoked if non-police duties are being removed from the responsibility of the Service, as Article 4 relates to police duties and functions.

TEMPORARY ASSISTANCE OF PROVINCIAL/TERRITORIAL POLICE SERVICE TO OTHER POLICE AGENCIES/SERVICES

The PT Minister, in consultation with the CO, has the authority to direct the Service to provide assistance or special expertise on a temporary basis to other police agencies/services in the province or territory. It is recommended that PTs and their respective RCMP divisions meet to discuss divisional temporary assistance policies (including cost recovery), procedures (including procedures for level of consultation with PT Minister i.e. delegation).

SUBARTICLE 2.1.0 – ENHANCED PERFORMANCE OF DUTIES AND SERVICES IN INUIT LANGUAGE

Subarticle 2.1.0 is a clause which is unique to the Nunavut Police Service Agreement. Effective April 1, 2013, Nunavut's *Official Languages Act* came into

force. The Act recognizes three official languages: Inuit, English and French. Under this Act the following rights are guaranteed:

- use of any official language in the Legislative Assembly debates or other proceedings;
- use of any official language in the Nunavut Court of Justice and in appeal court proceedings;
- anyone can communicate with or receive services in an official language from the head or central office of any territorial institution; and
- if there is significant demand, other territorial institutions that are not head or central offices also have a duty to provide a service in an official language.

It acknowledges the need for effective communication between the RCMP, the population it serves in Nunavut, the role of languages in fostering greater respect and enhancing public and officer safety. It also establishes that, to the extent possible, the RCMP will consult with the Government of Nunavut to enhance the duties and deliver services in Inuit languages.

There are various definitions under Article 1 about the languages and the culture of Nunavut that complete subarticle 2.1.0. Article 7 of the Nunavut Agreement also includes a reporting requirement from the CO to the Territorial Minister on the performance and, to the extent possible, on the enhanced manner by which RCMP performs the duties in Nunavut.

ADMINISTRATION

FACTORS THAT MAY BE CONSIDERED IN ASSESSING NON-POLICE DUTIES

There are a number of factors that contract parties may wish to consider to determine whether or not the Service will continue to perform certain non-police duties. These include:

- isolation/remoteness of community;
- workload of the Detachment Members;
- availability of other government departments to perform the task;
- duration of the task; and
- the impact on current police resource levels.

These factors are intended as examples; they are not comprehensive and do not represent the absolute criteria for determining whether the Service remains responsible for delivering any non-police duties. Each PT retains the flexibility to determine

responsibility for non-police duties being performed by the Service, in consultation with the RCMP.

If a proposal is made for the Service to stop delivering a specific non-police duty, then the Federal and PT Ministers will consult and come to mutual agreement in order for a duty to be removed from the Service. An exclusion under Article 4 is not required when removing a non-police function or duty from the responsibility of the Service.

TEMPORARY ASSISTANCE OF PROVINCIAL/TERRITORIAL POLICE SERVICE TO OTHER POLICE AGENCIES/SERVICES

The PT Minister will discuss any requirements for the Service to provide temporary assistance or special expertise to other police agencies/services with the CO. Some PTs may have policies or agreements that set out a schedule for reimbursing the cost for certain services. As with non-police duties, each PT retains the flexibility to determine whether or not the Service will provide the assistance, and whether there will be cost-recovery, in consultation with the RCMP.

ARTICLE 3: TERM OF AGREEMENT

PURPOSE

Each Agreement is in effect for 20 years, however, the parties retain the flexibility to terminate the Agreement before the expiry of the 20-year term, provided they give two years' notice. This Article also allows the parties to extend or renew the Agreement.

BACKGROUND

The 20-year term of the Agreements provides stability for contract police services and enables long-term infrastructure investments.

INTERPRETATION

Term: April 1, 2012 to March 31, 2032.

Extension or Renewal: The Agreement may be renewed or extended for an additional period of time subject to terms mutually agreed upon by the parties. A renewal process will be determined closer to the end of the 2012 Agreement.

Termination: Either Party may terminate the Agreement on March 31 of any year, as long as the Party has provided a minimum of two years notice.

Transitioning out of an Agreement: The parties agree to work together from the time notice is provided to the date of termination to ensure a smooth transition to a non-RCMP provincial or territorial police service. The alternate police service must be authorized by the province or territory to act as the provincial or territorial police service. Both parties recognize that consideration must be given to maintaining an adequate and effective level of policing during the transition phase.

The transition period also includes the lead up to the decision by a P/T/ municipality to transition. During this time, Public Safety Canada and the RCMP will work collaboratively with the P/T or municipality in providing information to assist the jurisdiction in conducting their analysis.

The transition to a non-RCMP policing arrangement will require close collaboration between the parties. As set out in Article 26 (Survival), planning for the transition to a non-RCMP police force will ensure the obligations and rights set out in Article 11 (Basis of Calculation of Payment); Article 12 (Accommodations Program); Article 15 (Transfer of Ownership of Equipment); Article 17 (Method of Payment); Article 24 (Notice); and Article 25 (Amendment) are fulfilled.

ADMINISTRATION

With the assistance of Public Safety Canada, the RCMP will work collaboratively with provinces, territories and/or municipalities in providing information related to RCMP services to assist the jurisdictions efforts to explore alternative police service delivery. This includes, but is not limited to, providing requested, unbiased, pertinent information to support evidence based decision making.

ARTICLE 4: EXCLUSIONS AND INCLUSIONS

PURPOSE

The purpose of Article 4 is to provide clarity on the geographic areas the PT Police Service is responsible for policing and to officially document any changes to these geographic areas over the 20-year term of the Agreement. The purpose of recording duties or functions is to clearly identify and officially document any duties or functions removed from, or added to, the Service over the term of the Agreement.

BACKGROUND

The Article on exclusion and inclusion is essentially similar to, and a continuation of, past practices in effect under the 1992 Agreement. It supports the evolving role of policing and provides the flexibility and adaptability to maintain an efficient and effective Service by providing the ability to consider new duties and functions in a geographic area as well as the use of alternative means to deliver functions that have traditionally been delivered by the Service. Only police related duties can be added to the current duties and functions of the Service. Article 4 does not need to be invoked if non-police duties are being removed from the responsibility of the Service.

The delineation of geographic areas does not limit the PT's authority to administer justice throughout the province or territory. It does not impact the PT's authority to enforce laws, pursue effective policing programs, or share services across geographic boundaries. For example, a provincial dog team or emergency response team may provide services in a municipal jurisdiction that is not included in the geographic area of the PT Police Service.

Similarly, in some provinces, the Provincial Police Service and the various RCMP Municipal Police Services operate in an integrated manner which means that they may be co-located in one Detachment, under the command of one Detachment Commander, and leverage resources between services to best address law enforcement and public safety in that specific Detachment's jurisdiction. This allows for cross-functionality and maximizes resource deployment between RCMP Provincial and Municipal Services.

INTERPRETATION

The PT Minister will give notice in writing (pursuant to Article 24) to the Federal Minister that the PT wishes to include or exclude a geographic area, or a function within a geographic area, from the responsibility of the Service. The proposed inclusion or exclusion should not unreasonably affect Canada's ability to provide contract policing services to the PT.

Inclusions:

An inclusion means the PT Police Service becomes responsible for policing a geographic area, or for providing a specific policing duty or function within a geographic area.

The mutual agreement of the Federal and PT Ministers is required for the inclusion of a geographic area, or duty or function within a geographic area, to take effect.

An example of an inclusion of geographic areas occurred in New Brunswick. Between 1992 and 2002, the geographic areas policed by 15 small independent police services in New Brunswick were absorbed by the RCMP Provincial Police Service. This was possible because each Municipality had a population of less than 5,000 and therefore qualified for policing under the Provincial Police Service. For each Municipality, the Provincial Minister wrote to the Federal Minister requesting a geographic inclusion so that the geographic area within the municipal boundary was added to the Service's jurisdiction. Under Article 5, the authorized strength of the Service was also increased with each inclusion by the number of Members required to police that Municipality.

Exclusions:

An exclusion means the PT Police Service will no longer be responsible for policing a specific geographic area of the province or territory, or for providing a certain function or duty within a specific geographic area.

An exclusion of a geographic area, or function within a geographic area, will take effect as soon as practicable, but no later than one year after the Federal Minister receives written notice from the PT Minister. This time period will allow the contract parties to work cooperatively through a transition process.

Under this Article, neither Canada nor a PT can add to, or remove from, the duties or functions of the Service as they were on March 31, 2012 (one day before the 2012 Agreements came into effect), without prior consultation and agreement between the Federal and PT Ministers. See Article 2 for more information on police duties. For a geographic exclusion, mutual agreement is not required; in all cases, the PT Minister will provide notice in writing pursuant to Article 24.

An example occurred in 1983 when Newfoundland and Labrador excluded the geographic areas of the greater metropolitan area of St. John's, Mount Pearl, Corner Brook, Labrador West and Churchill Falls from the responsibility of the Service. Responsibility for these geographic areas was transferred to the Royal Newfoundland Constabulary.

An example occurred in 1984 when New Brunswick excluded highway patrol from the duties of the PT Service. The province created a new highway patrol unit to provide traffic services on the highways. (This exclusion was later reversed.)

ADMINISTRATION

The duties and functions performed by the Service on March 31, 2012, form the baseline for the duties and functions to be performed by the Service for the duration of the Agreement. Similarly, the geographic areas covered by the Service at the onset of the Agreements forms the baseline for the geographic areas which are the responsibility of the Service.

Following consultation between representatives from the Division and the PT, requests for an inclusion or exclusion will proceed by way of notices, as per Article 24.

Inclusions:

1. The PT Minister will write to the Federal Minister indicating the geographic area or the duties or functions within a geographic area, to be added to the responsibility of the Service.
2. The Federal Minister will consult with the Commissioner to assess the impact of the request, including whether the inclusion will unreasonably affect the continued provision of the Service.
3. The Federal Minister will respond in writing to the PT Minister, indicating whether he or she agrees with the request. If the Federal Minister does not agree with the request, written reasons will be included in the letter to the PT Minister.
4. Divisional RCMP and PT staff will work together to assess the operational requirements and to determine the necessary resources (i.e., Members, Support Staff, financial implications, Equipment, etc).

The Article does not stipulate that an inclusion will be effective within a certain timeframe. However, if the Service requires additional Members to carry out the inclusion, then in accordance with Article 5, these positions will be added within one year of the PT Minister's written request to the Federal Minister.

Exclusions:

1. The PT Minister will write to the Federal Minister indicating the geographic area, or the duties or functions within a geographic area, to be excluded from the responsibility of the Service.
2. Exclusion of geographic area: In the case of a geographic area, the Federal Minister will respond to the PT Minister in writing, confirming the exclusion.

Exclusion of duties or functions: The Federal Minister will consult with the Commissioner to assess the impact of the request. They will consider whether the exclusion will unreasonably affect the continued provision of the Service. The Federal Minister will respond in writing to the PT Minister, indicating whether he or she agrees with the request. If the Federal Minister does not agree with the request, written reasons will be included in the letter to the PT Minister.

3. Divisional RCMP and PT staff will work together to assess the operational requirements and to determine the necessary resources (i.e., Members, Support Staff, financial implications, Equipment, etc), including the removal of resources.

An exclusion will occur as soon as possible, but no later than 12 months following receipt of the initial written request from the PT Minister. This will provide for a transition period.

If the exclusion causes a decrease in the number of Members or Support Staff necessary to support the Service, then the PT Minister will request a decrease in the strength of the Service pursuant to Article 5.

Municipalities Exceeding or Falling Below 5,000 Population

In all provinces except British Columbia, Municipalities entering MPSAs for the policing services of the RCMP are automatically excluded from the geographic area of the Service. A separate notice of exclusion between the Federal and PT Ministers is not necessary. The requirements under Article 10 for approvals between the Federal and PT Ministers and the terms of the MPSA accomplish the same result.

A notice of exclusion for the geographic area of a Municipality exceeding 5,000 population is required if that Municipality opts to obtain its policing services from an independent police service. In this case, an exchange of notices under Article 24 would be required for all provinces, including British Columbia.

A Municipality policed by the RCMP under a MPSA that falls below 5,000 population and reverts back to coverage under the Service would require that, as per Article 4, notices be exchanged to confirm the inclusion. In the case of British Columbia, notices are not required under this scenario. See Article 10 of the Companion Document for more information.

ARTICLE 5: INCREASE OR REDUCTION IN THE PROVINCIAL POLICE SERVICE & REGIONAL OR DIVISIONAL ADMINISTRATION STAFF

PURPOSE

Article 5 describes how provinces and territories can increase or decrease the number of Members and Support Staff in their PT Police Service. It also describes the consultation process to increase or decrease the number of staff working in divisional and/or regional administration functions.

BACKGROUND

While Article 5 describes the processes for increasing or decreasing positions, Annex “A” (a schedule to the Agreements) is the official record of the number of Member and Support Staff positions for the Service and divisional/regional administration. Information about the composition of the Service, such as how the Service is organized, positions by rank and function, number of vacancies, etc. is covered in Article 8.

The number of positions noted in Annex “A” is also known as “authorized strength”. Authorized strength is the benchmark information used by the province or territory when reporting to the public, or Treasury Boards, on the size of the Service and/or divisional/regional administration. Of note, authorized strength is not the figure used for billing under the Agreement; instead, FTE Utilization, as defined under Article 1, is utilized.

PT involvement in decisions that impact the authorized strength of divisional/regional administration positions is new to the 2012 Agreements. In keeping with the increased accountability and transparency provisions under the Agreements, the RCMP will consult with, and seek the support of, the PT regarding changes to the number of divisional/regional administration positions.

As personnel related costs constitute the most significant expenditure in the policing budget, ensuring that funds are available is a key consideration in the decision to seek additional personnel. Ensuring that the federal share of contract policing funds each year is sufficient to cover any changes in personnel requirements depends, in part, on accurately forecasting these requirements across all contract jurisdictions. The RCMP undertakes a comprehensive planning process for its annual Treasury Board submission (the Annual Reference Level Update, or ARLU). As part of this process, the RCMP analyzes planned growth, attrition rates, restructuring initiatives, transfers, etc., over all business lines in order to forecast the total number of personnel required across the RCMP. Accurately forecasting changes in personnel, including any anticipated

growth in contract policing jurisdictions, is an integral part of this exercise, so it is important that contract jurisdictions consider their anticipated resource requirements during the multi-year planning cycles under Article 18.

INTERPRETATION

INCREASE OR DECREASE IN ANNEX “A” FOR THE PROVINCIAL OR TERRITORIAL POLICE SERVICE

Pursuant to the Agreement, the PT has the responsibility to establish the number of resources in their PT Police Service. This Article stipulates the process leading to an adjustment to the size of the Service.

If a PT wants to increase or decrease the size of their Service, the PT Minister will write a letter to the Federal Minister requesting an increase or decrease to the Annex “A” authorized strength.

Increases: A request for an increase must include confirmation of the financial commitment from the PT Minister. The Federal Minister’s approval is provided in writing and these two letters, the request and the response, constitute a formal adjustment to Annex “A”. The RCMP will fill the number of positions specified in the request as soon as possible, but within one year of its receipt.

Decreases: Similarly, the PT Minister’s request to decrease the size of the Service and the Federal Minister’s written approval constitute a formal adjustment to Annex “A”. The RCMP will reduce the number of positions specified in the request as soon as possible, but within one year of its request. However, the Federal Minister may refuse a request to reduce the number of positions assigned to the Service if that reduction would lower the level of resources below the threshold needed to deliver effective and efficient policing, or to maintain public or officer safety. In this case, the Federal Minister’s written reply to the PT Minister would provide the reasons for refusing the reduction.

Annex “B” is the schedule of the Agreements containing the template letters to be used by the PT Minister to request an adjustment to the authorized strength, or Annex “A”, of the Service.

INCREASE OR DECREASE IN ANNEX “A” FOR DIVISIONAL AND REGIONAL ADMINISTRATION

The PT Minister will be consulted by the RCMP before any changes are made to the number of divisional/regional administration staff. This consultation occurs as part of the budgetary planning process for the Service under Article 18 (see divisional multi-year financial planning timeline at the end of Article 18, CoDo pg. 210), whereby the RCMP provides the PT Minister with the multi-year report (the Report) that includes any proposed increase or decrease to divisional/regional administration staff, a description

of any financial implications, as well as an explanation of any deviation from the previous year's Report. At the onset of each fiscal year, divisions and PTs will engage in the divisional planning process as outlined in the multi-year financial plan timeline.

For any proposed increase or decrease to the number of divisional/regional administration staff, the RCMP will seek the support from the PT. However, an increase to the number of divisional/regional administration staff may proceed without the PT Minister's approval if the Federal Minister provides written reasons stating the Service cannot be adequately supported without more staff.

ADMINISTRATION

INCREASE OR DECREASE IN PROVINCIAL/TERRITORIAL POLICE SERVICE

A request to increase or decrease the authorized strength of the Service may be made at any time during the year and multiple requests can be made in any given year. However, the adjustment sought should be consistent with the projected number of positions and projected budget included in the planning and budgeting exercise under Article 18.

Requests will proceed by way of notices, in accordance with Article 24, and will be administered in the following manner:

1. The PT Minister writes to the Federal Minister to request an adjustment to Annex "A" to increase or decrease the strength of the Service. The letter will be substantially similar to the templates provided in Annex "B: and will clearly state:
 - a. the number of positions to be increased or decreased;
 - b. whether the positions are Members or Support Staff;
 - c. the total authorized strength of the Service after the change in the number of positions; and
 - d. for any increase in strength, the confirmation of the financial commitment.

This confirmation of funding does not automatically involve an increase to the PT funding level if funds can be reallocated within the Service budget envelope.

In order to facilitate a prompt response, the letter should be copied to the Commissioner and the CO, as RCMP validation is necessary in preparing the Federal Minister's reply.

2. In preparation for the Federal Minister's reply, the Commissioner will:
 - a. For an INCREASE, provide confirmation that the request is aligned with the approved projected growth (as set out in the PT Minister's approval of the multi-year plan under Article 18).

- b. For a DECREASE, provide confirmation that the request maintains the level of resources needed to continue delivering effective and efficient policing and maintain public and officer safety. If these criteria are not met, provide a detailed explanation for not supporting the reduction.

The Federal Minister's reply to the PT Minister's letter is prepared to convey the approval to proceed with the increase or decrease, or alternatively, convey the specific reasons Canada cannot approve a decrease in the strength of the Service. Canada has one year to complete any increase or decrease to the Service; this timeframe begins on the date the PT Minister's request is received pursuant to the Notice provisions in Article 24 by the Federal Minister.

3. All increases or decreases to the authorized strength of the Service are confirmed by the exchange of letters between the Federal and PT Ministers. The two letters together represent an adjustment to Annex "A". The date of the Federal Minister's reply letter constitutes the date of the formal updated Annex "A" (i.e., the effective date of the new authorized strength figure for reporting/publishing purposes).

Personnel Type - Members and Support Staff

When the number of Members is increased, there may be an impact on the number of Support Staff needed to support the Service. There is no consistent method within the RCMP for determining how an increase in Member positions affects the requirement for Support Staff. Similarly, a decrease in Member positions may or may not affect the number of Support Staff positions required. The process is managed divisionally and should be discussed by the PT and RCMP, as and when needed.

INCREASE OR DECREASE IN DIVISIONAL/REGIONAL ADMINISTRATION POSITIONS³

Consultation with regard to changes in the number of divisional/regional administration positions will proceed as described below. All COs in the same Region will use the same information to consult with the PTs. For instance, if the Atlantic regional service needs two new positions, the Report in each of the four Atlantic Divisions will stipulate the two positions adjustment.

³ Article 5 uses the term "Deputy Commissioner of the Region". Since the implementation of the 2012 Agreements, the Regions and the positions of "Deputy Commissioners of the Region" have been eliminated as a result of changes to the structure of the RCMP. Despite the elimination of the regional structure, some administrative services continue to be delivered regionally (i.e., to several Divisions geographically related) by regional staff. The consultation process between the RCMP and the PT in relation to regional administration positions will be assumed by the CO, along with divisional administration positions.

1. Under Articles 5 and 18, following consultations between the CO and PT Minister, the CO provides the PT Minister with a multi-year divisional report (Report) by June 1 of each year, which:
 - a. Describes any proposed changes to the number of divisional and regional administration positions for the following three Fiscal Years.
 - b. Explains any budgetary implications for these staff.
 - c. Addresses any deviations from the previous Report.
2. The PT Minister will review the Report and, as part of the written response to the overall Report required by June 15 under Article 18, will specifically indicate whether the proposed change to the number of divisional/regional administration positions is approved in principle.
 - a. **Proposed increase:** If the PT Minister does not support the projected increase in divisional/regional administration positions:
 - He or she will provide the CO with a written explanation of what part(s) of the proposal he or she does not support and the reason(s) why.
 - The increase in staffing levels may occur without PT support if the Federal Minister provides the PT Minister with written reasons stating that the failure to approve the requested increase would result in a lower level of resources than needed to support the Service.
 - b. **Proposed decrease:** If the PT Minister does not support a projected decrease in staffing levels:
 - He or she will provide the CO with a written explanation of what part(s) of the proposal he or she does not support and the reason(s) why.
 - The CO will consult with the PT Minister and prepare a written response to his or her concerns.

For regional positions, the lack of support by one PT Minister results in a challenge to the increase or decrease requiring further consultation between the RCMP and the PT.

- a. At the conclusion of the PT budget process, the PT Minister will provide a written statement to the CO (pursuant to Article 18) approving the annual budget. The budget for divisional/regional administration will be approved at the same time.
- b. The CO will provide a written statement to the PT Minister confirming the total adjusted authorized strength of divisional and regional administration. The CO will also indicate when the positions are expected to be filled or vacated.

- c. The PT Minister will write to the Federal Minister (copying the CO) requesting that Annex “A” be adjusted. Template letters are provided on the next page.
- d. The Federal Minister’s reply constitutes an adjustment to Annex “A” and the date of the reply establishes the effective date of the new authorized strength.

Consultation with regard to increases and/or decreases of approved positions in Consolidated Services will occur through Discussion Papers brought forward to the Finance Cost Containment Committee (FCC). The Discussion Papers will follow the Engagement Process, as outlined in the Rules of Engagement SOP, as attached at the end of Article 21 CoDo pg. 232-242 such that they will follow to CMC Officials scheduled bi-annual meetings and ultimately CMC.

RESPONSIBILITY FOR MAINTAINING ANNEX A

The RCMP Division and the PT are both responsible for maintaining their records for all adjustments to the authorized strength of the Service and divisional/regional administration.

CAP will act as a central repository, collating the divisional records to maintain a national record of the latest authorized strength information for all PT Police Services for all Fiscal Years covered by the term of the Agreements (from 2012-13 to 2032-33). This report will be available upon request to COs, PTs, Public Safety Canada or CMC.

Note: These national records may differ from those maintained by a PT if the PT reports authorized strength is based on a calendar year rather than a Fiscal Year.

TEMPLATE A: LETTER TO FEDERAL MINISTER TO INCREASE DIVISIONAL or REGIONAL ADMINISTRATION POSITIONS

[Federal Minister]

Dear Minister:

If in support: Pursuant to subarticle 5.4 of the [Provincial/Territorial] Police Service Agreement, I am writing to confirm that we support [Name] Division's request to increase the personnel resources assigned to [divisional and/or regional] administration.

I confirm an increase of [X] [Regular Members / Civilian Members / Support Staff] assigned to [divisional and/or regional] administration of [Name] Division, so as to increase the total strength of [Regular Members / Civilian Members / Support Staff] from [Y] to [Z].

I confirm our [incremental] financial commitment for the costs of this increase.

If not in support (letters already exchanged between the CO and PT and response from Federal Minister to PT stating why increase is required): Pursuant to your letter in response to the concerns we expressed with the proposed increase in [divisional and/or regional administration] positions, I confirm an increase of [X] [Regular Members / Civilian Members / Support Staff] assigned to [divisional and/or regional] administration of [Name] Division, so as to increase the total strength of [Regular Members / Civilian Members / Support Staff] from [Y] to [Z].

I confirm our [incremental] financial commitment for the costs of this increase.

This letter and your reply will serve as an amendment to Annex "A".

Yours truly,

PT Minister

** Note: If the increase in the number of divisional or regional administration positions is occurring at the same time as a change in the number of Provincial/Territorial Police Service positions, the above text can be incorporated into the template provided in the Agreement so the two changes are addressed in one letter to the Federal Minister.*

TEMPLATE B: REQUEST FOR A DECREASE OF DIVISIONAL or REGIONAL ADMINISTRATION POSITIONS

[Federal Minister]

Dear Minister

If in support: Pursuant to subarticle 5.4 of the [Provincial/Territorial] Police Service Agreement, I am writing to confirm that we support [Name] Division's request to decrease the personnel resources assigned to [divisional and/or regional] administration.

I confirm a decrease of [X] [Regular Members / Civilian Members / Support Staff] assigned to [divisional and/or regional] administration of [Name] Division, so as to decrease the total strength of [Regular Members / Civilian Members / Support Staff] from [Y] to [Z].

If not in support (letters already exchanged between the CO and PT): Pursuant to the attached letter from the Commanding Officer in response to the concerns we expressed over the decrease to the personnel resources assigned to [divisional and/or regional] administration, I confirm a decrease of [X] [Regular Members / Civilian Members / Support Staff] assigned to [divisional and/or regional] administration of [Name] Division, so as to decrease the total strength of [Regular Members / Civilian Members / Support Staff] from [Y] to [Z].

This letter and your reply will serve as an amendment to Annex "A".

Yours truly,

Provincial/Territorial Minister

ARTICLE 6: MANAGEMENT OF THE PROVINCIAL OR TERRITORIAL POLICE SERVICE

PURPOSE

Article 6 describes the specific responsibilities of each contract party in the management of the Service. It also addresses the harmonization of policing standards and procedures.

BACKGROUND

The provinces and territories recognize that the RCMP is more than a Provincial or Territorial Police Service and, unlike independent police services, the RCMP is a federal agency subject to all federal legislation. The RCMP, as the PT Police Service, delivers services according to the strategic policing direction of the contract jurisdiction. The PT Minister focuses on the vision for policing in the province or territory through the establishment of priorities and objectives (see Article 7 for more information). At the same time, as a national police force, the RCMP must maintain cohesive internal management of its policies, standards and procedures. The CO is also responsible for everyday policing decisions related to operational matters. The Authorities section of the Preamble provides more information on the roles and responsibilities of the contract parties.

The PTs are responsible for establishing professional police standards and procedures for policing in their jurisdiction. Similarly, the Commissioner is responsible for setting standards and procedures for the RCMP as a police force.

As Canada's National Police Force, the RCMP is managed, to the extent possible, in a manner that ensures consistent national professional standards in order to enhance Members' deployability across the country. To assist the RCMP in maintaining consistent standards in all contract jurisdictions, Canada and the PT may identify opportunities for improving consistency between PT and national RCMP standards, where it is feasible and appropriate to do so.

INTERPRETATION

SETTING OBJECTIVES, PRIORITIES AND GOALS

The PT Minister sets the objectives, priorities and goals of the Service in line with PT policing priorities. These are based on local needs, the evolving nature of crime and the specific requirements of policing in that jurisdiction.

INTERNAL MANAGEMENT OF THE SERVICE

The Commissioner, under the strategic direction of the Federal Minister, is responsible for the internal management of the RCMP. This includes the overall administration of the Service, as well as determining and applying professional police standards and procedures.

LEVEL OF POLICING

The PT Minister, in consultation with the Commissioner, has the responsibility to establish the level of policing service. The concept of “level of policing” is broader than the number of personnel in the Service. It refers to the resources required to ensure efficient and effective policing, to maintain public and police safety, and to meet the goals and objectives of the Service.

RESPONSIBILITY FOR THE ADMINISTRATION OF JUSTICE

The PTs are responsible for the administration of justice and law enforcement within their jurisdiction. This responsibility is not limited by the RCMP's internal management of the Service or any other provision of the Agreements.

HARMONIZATION OF STANDARDS AND PROCEDURES

There are two components to the harmonization of standards and procedures under the Agreement. The first is that the PT recognizes Canada's interest in the harmonization of policing standards and procedures *nationally across the RCMP* based on best practices. Canada and the PT will identify opportunities for improving consistency between PT and national RCMP standards, where it is feasible and appropriate to do so.

The second component is that the RCMP recognizes the PT's interest in harmonizing policing standards and procedures *across police services within their contract jurisdiction* based on best practices. The Commissioner agrees to facilitate this consistency by meeting or exceeding the police standards set by the PT, unless doing so would contradict the law, negatively affect the RCMP's ability to deliver effective and efficient police services, or negatively affect public or officer safety.

If a PT is developing new standards or procedures, or consulting on existing standards or procedures, the following process will be utilized:

- the PT Minister will consult with the Commissioner;
- the Commissioner will ensure the standards and procedures for the Service meet or exceed those set by the PT, unless doing so would contradict the law, negatively affect the RCMP's ability to deliver effective and efficient police services, or negatively affect public or officer safety; and

- the Commissioner will consult with the PT Minister if the standards or procedures proposed by the PT Minister are of concern. If the issue of concern is not resolved during consultation, upon request from the PT Minister, the Commissioner will provide written reasons for his or her opinion.

Any issues that are not resolved in consultation between the contract parties can be addressed through the Dispute resolution process as set out in Article 23.

ADMINISTRATION

SETTING OBJECTIVES, PRIORITIES AND GOALS

The objectives, priorities and goals for the Service are established by the PT Minister annually and provided to the CO in writing. In practice, the objectives, priorities and goals may not change much from year to year. The PT retains the flexibility to change its objectives, priorities and goals more often than annually in certain circumstances, as long as adequate written notice is provided.

The objectives, priorities and goals are normally provided to the CO before June, in time for the annual budget planning process under Article 18.

In accordance with Article 7, the CO will submit a report to the PT Minister by July 1 describing the RCMP's progress toward implementing and/or achieving the PT Minister's objectives, priorities and goals for the previous Fiscal Year.

LEVEL OF POLICING

The level of policing is discussed by the PT Minister and the Commissioner, or their delegates, on an ongoing basis in the normal course of performing the business of the Service.

HARMONIZATION OF STANDARDS AND PROCEDURES

Standards and procedures may cover items such as operational, administrative or equipment requirements.

When the RCMP is considering substantive national level changes to existing standards or procedures that may impact the cost or quality of the Service or creating new standards or procedures, there will be consultation with CMC or within another FPT forum. In these circumstances, the RCMP will follow the CMC Rules of Engagement Standing Operating Procedure as attached at the end of Article 21 CoDo pg. 232-242.

Should the PT and/or the RCMP consider a change in one Division, an early consultative process between the PT Minister (or delegate) and the Commanding Officer (or delegate) will be conducted. In addition, the item could be brought to the

attention of CMC as an information item, should there be some benefit or value to the other jurisdictions and if the jurisdiction wishes to share that information.

As the PT Police Service, the RCMP will meet or exceed the professional standards and procedures specific to an individual contract jurisdiction unless doing so would contradict the law, negatively affect the RCMP's ability to deliver effective and efficient police services, or negatively affect public or officer safety. This will ensure an appropriate and consistent service among all police services within that contract jurisdiction (e.g., policy for police pursuits).

When a PT is considering the development of new standards or procedures, the jurisdiction will follow the process below. In addition, should the jurisdiction wish to share the new standard or procedure, it could be raised at CMC as an information item.

1. The PT will inform the CO prior to the development of PT standards or procedures.
2. Divisional RCMP will be consulted during the development of standards or procedures and/or given the opportunity to participate in the development process. Division staff will consult with CAP throughout the process.
3. Divisional RCMP will assess whether the standards or procedures are already met or exceeded by current national RCMP standards.
 - a. If the standards or procedures are already met or exceeded, divisional RCMP will advise the CO, providing information to support this position.
 - b. If the standards or procedures are not already met or exceeded, divisional RCMP will assess the merit of adopting the standards or procedures and make a recommendation to the CO.

The standards or procedures will be adopted unless doing so would be contrary to a requirement imposed by law, negatively affect the RCMP's ability to deliver effective and efficient police services, or negatively affect public or officer safety.

4. The CO will review the recommendation of divisional RCMP and notify the PT Minister in writing whether the standards and procedures will be adopted or not.
5. If the CO determines that the standards or procedures cannot be adopted due to the existence of one of the factors outlined above, the CO will consult with the PT Minister. If this consultation does not resolve the matter, the issue will be elevated to the Commissioner who will provide the PT Minister with a written explanation.

For existing standards, the PT Minister will notify the Commissioner if there are specific standards or procedures he or she would like the Service to meet. The Commissioner, in consultation with the CO, will review and make a decision, following steps 3 to 5 above.

ARTICLE 7: THE COMMANDING OFFICER AND THE OPERATION OF THE DIVISION

PURPOSE

Article 7 establishes the PT Minister's authority to provide direction to the CO in aiding the administration of justice in the province or territory. It ensures the provincial/territorial control over the administration of justice. It also establishes the CO's responsibility to implement the objectives, priorities and goals for the Service and consult regularly with the PT Minister on the operation of the Division. The Article also includes a consultation process for the selection of key positions in the Division.

BACKGROUND

The PT Minister has paramount authority over policing as part of the administration of justice, and establishes the priorities and objectives for the Service, while the CO is responsible for operational matters.

The consultation with respect to the appointment and replacement of key positions in the Division has been expanded from the 1992 Agreement to include the positions of Detachment Commanders and to allow for community consultation.

INTERPRETATION

UNDER DIRECTION OF PROVINCIAL/TERRITORIAL MINISTER

For the purposes of the implementing the Agreement, the CO acts under the direction of the PT Minister to aid in the administration of justice and carrying into effect the laws in force within Canada and the province or territory.

CONSULTATION AND REPORTING

The PT Minister needs information to make informed decisions and provide direction. The CO is required to engage and consult with the PT Minister by:

- implementing the objectives, priorities and goals established by the PT Minister, and ensuring the deployment of personnel and Equipment reflects these priorities to the extent possible;
- consulting regularly with the PT Minister and reporting on the operational and administrative status of the Service, as and when required, but at a minimum on a quarterly basis;
- ensuring reporting requirements are met in accordance with Article 18;

- providing an annual report, in a mutually agreeable format, to the PT Minister by July 1, outlining the extent to which the priorities, objectives and goals for the Service were implemented and achieved for the previous Fiscal Year;
- supplying the PT Minister or Attorney General with any information that comes into the possession of any Member of the RCMP in the province or territory that affects the administration of justice, as well as any other information requested by the PT Minister or the Attorney General. This information is to be provided in a reasonable and timely manner; and
- informing the PT Minister of complaints (new or outstanding) made against the Service on a monthly basis and in a format agreed upon by the CO and the PT Minister. Serious incident reporting is to be delivered in a consistent format with expected levels of detail, as agreed upon by the CO and PT Minister. The CO will also inform the PT Minister of routine complaint dispositions against the RCMP to allow the PT to monitor trends and mitigation strategies employed by the RCMP.

PROVISIONS SPECIFIC TO NUNAVUT

The Nunavut Police Service Agreement includes a clause stating that, to the extent possible, the CO will enhance the manner by which the RCMP performs the duties and delivers the Service in the Inuit language. The CO will report to the Territorial Minister on the RCMP's performance of this enhanced responsibility when reporting out on the goals, objectives and priorities of the Service.

APPOINTMENT AND REPLACEMENT OF KEY POSITIONS

The Commissioner will consult with the PT Minister prior to the appointment of a CO, a Criminal Operations Officer or a Deputy Criminal Operations Officer. A designate of the PT Minister may participate in the selection process.

If the PT Minister loses confidence in the person holding any of the above positions, the PT Minister may write to the Commissioner to request the officer be replaced. The PT Minister must demonstrate sufficient cause exists for the loss of confidence and the Commissioner will ensure the officer is replaced as soon as possible.

At the request of the PT Minister, the CO will consult with the PT Minister (and/or with the CEO/Mayor of a Municipality) before the appointment of a Detachment Commander. The PT Minister may also ask the CO to consult with the community, in accordance with RCMP policies on community participation, before the appointment of the Detachment Commander (the Administration section should be consulted for further information).

If the PT Minister loses confidence in a Detachment Commander, the PT Minister may write to the CO to request he or she be replaced. If it is demonstrated sufficient cause

exists, the CO will replace the incumbent, as soon as possible. The PT Minister may also write to the Commissioner to make this request.

The RCMP maintains a flexible process in the staffing of these positions as they are not only key positions within the Division but are also key positions within the RCMP organization as a whole. A national perspective must be maintained as these positions will at present, or in the future, form the RCMP's Senior Management Team (SMT) which assists the Commissioner in fulfilling all of the RCMP's roles, responsibilities and mandates.

ADMINISTRATION

The CO ensures that administrative processes are in place to meet the obligations of the RCMP under Article 7. The following are the CO's principal responsibilities under this Article.

1. Implement objectives, priorities and goals for the Service established by the PT Minister. The CO will:
 - a. ensure the PT Minister is aware of any issue that could be important for consideration in advance of objectives, priorities and goals for the Service being established;
 - b. deploy personnel and Equipment in a manner consistent with the objectives, priorities and goals for the Service;
 - c. consult with the PT Minister and agree on the annual report's format;
 - d. prepare an annual report covering the previous Fiscal Year to report on the status of implementation of all the objectives, priorities and goals for the Service by July 1 each year; and
 - e. share annual reports with RCMP national headquarters.
2. Provide regular reporting on operational and administrative status of the Service. The CO will:
 - a. provide quarterly updates with formal agendas, to the PT Minister on the status of all matters related to the Service (could be delegated to CROPS and ADM as required) and these meetings will be documented by record of decision; and
 - b. consult with the PT Minister to determine the quarterly schedule of reporting and provide updates as needed for other unforeseen matters.
3. Reporting information that may affect the administration of justice in the province or territory. The CO will:
 - a. determine when it is appropriate to provide such information; and

- b. consult with the PT Minister or Attorney General and agree on the reporting format.
- 4. Providing information needed for the administration of justice at the request of the PT Minister. The CO will:
 - a. determine when and what information to provide, subject to applicable laws; and
 - b. consult with the appropriate RCMP policy centres, as required.
- 5. Monthly reporting of public complaints against the Service. The CO will:
 - a. keep track of complaints from the public against the Service;
 - b. prepare the monthly report which includes new complaints as well as outstanding ones; and
 - c. consult with PT Minister to agree on the level of information and format of this report.
 - d. consult with PT Minister to agree on the level of information and format of reports for serious incident reporting. Consistency in both the formatting and timing of these reports may be discussed at CMC or bilaterally.

CONSULTATION AND PARTICIPATION IN STAFFING

Staffing of other key positions in the Division (Commanding Officer, Criminal Operations Officer, or a Deputy Criminal Operations Officer):

The Commissioner, Deputy Commissioner (Contract and Aboriginal Policing (CAP)) or Commanding Officer will advise the PT Minister when there is a vacancy, or impending vacancy, in one of the following key positions within a Division: Commanding Officer, Criminal Operations Officer, or a Deputy Criminal Operations Officer (having responsibilities in relation to the PT Police Service).

Staffing of Detachment Commander positions in the Division

The CO will advise and seek the input of the PT Minister in advance of the staffing of Detachment Commander positions in the Division. Together, they will discuss the staffing policy, including the expectations of the PT Minister in relation to the PT providing input on selection criteria, the PT Minister (or delegate) participating in the selection process and community consultation. At the request of the PT Minister, the CO will include direct involvement from the community as part of the selection process, which could include more than one community representative.

It should be noted that the consultation requirement extends to all Detachment Commander positions in the Division, not only those that fall under the PT Police

Service. In accordance with Article 7 of the MPSA, the CEO/Mayor, will also be consulted in advance of the staffing of their Detachment Commander position.

The CO will consult with the PT Minister prior to the staffing of each Detachment Commander position unless they agree on a standard approach setting the conditions for consultation and the parameters for community participation.

Staffing of other key positions in the Division

The Commissioner will consult the PT Minister in advance of staffing these key positions in the Service: Commanding Officer, Criminal Operations Officer, as well as Deputy Criminal Operations Officer. For clarity, consultation is required for Deputy Criminal Operations Officer positions that have responsibilities in relation to the PT Police Service. This consultation is not required, for instance, for the appointment of a Deputy Criminal Operations Officer in the Division with responsibilities for overseeing Federal Policing.

In advance of staffing these key positions, the Commissioner, Deputy Commissioner CAP or Commanding Officer will discuss the officer staffing process for filling this position with the PT Minister and will determine the PT's desired level of participation in the process. If desired, a designate of the PT Minister may participate in the selection process. Additionally, PTs may provide input to the RCMP on matters such as policing priorities, competencies, qualifications and cultural sensitivities.

If a PT Minister does not feel that they are being adequately involved and consulted in the selection process, they are requested to contact the Deputy Commissioner of Contract and Aboriginal Policing immediately who will make every attempt to rectify the situation.

For clarity, consultation is required for Deputy Criminal Operations Officer positions that have responsibilities in relation to the PT Police Service. This consultation is not required, for instance, for the appointment of a Deputy Criminal Operations Officer in the Division with responsibilities for overseeing Federal Policing.

ARTICLE 8: RESOURCES AND ORGANIZATION

PURPOSE

Article 8 outlines the consultative processes for any changes to the organizational structure of the Service, including major capital projects, and outlines the human resource reporting and equitable recruitment practices.

This Article also sets out the basic principles for the consultative process between the contract parties in relation to important changes to a divisional or regional headquarters.

BACKGROUND

This Article remains substantially the same as it was under the 1992 Agreement, except for the addition of references to the consultation process on major capital projects.

INTERPRETATION

ORGANIZATIONAL STRUCTURE OF THE SERVICE AND LOCATION OF HEADQUARTERS

The CO will consult with and seek approval of the PT Minister before making any changes to:

- the number or location of Detachments
- the number or location of Units, related to PT police service under this Agreement
- the organizational structure of the Division, related to PT police service under this Agreement

Detachments and Units are defined terms under Article 1.

Before approving the location of divisional or regional headquarters, the Federal Minister will consult with the PT Minister, seeking any advice or recommendations on the location of headquarters for the Service. However, pursuant to *RCMP Regulations*, the ultimate decision rests with the Federal Minister.

CONSTRUCTION OR RENOVATION OF ANY BUILDING

Subject to Article 12 and its associated annexes, the Commissioner will obtain the approval of the PT Minister before and during the planning phase of major renovations, construction projects or demolitions for any building supporting the Service (including Detachments and district offices) to ensure the proposed buildings and improvements are appropriate and consistent with anticipated demands (e.g., population growth,

authorized strength increases, etc.). Divisional and/or regional headquarters requiring renovation or construction of a new building are dealt with separately (see below).

The consultation process is covered under Article 12 of the Companion Document.

CONSTRUCTION OR RENOVATION OF HEADQUARTERS

Similarly to the consultation process for other buildings, if a divisional or regional headquarters building is to be Renovated or constructed then the Commissioner will consult with the PT Minister during planning and prior to beginning Renovations, demolition or construction. Consultation will cover any locations recommended by the PT Minister as well as a variety of other information which will enable the PT Minister to ensure the proposed building(s) and/or improvement(s) are appropriate and consistent with the Service's anticipated demands (e.g., population growth, authorized strength increases, etc.). The financial terms and conditions of the project will be approved by the PT Minister.

These provisions are linked to Article 12 where it states that the contract parties agree that any requirement to Renovate, replace or acquire new divisional or regional headquarters buildings will be by means of a separate agreement. However, if the contract parties wish to include the costs under the Agreement, then this can be done in accordance with Article 12. Otherwise, the cost to the PT is billed in accordance with the terms of the separate agreement.

REPORTING ON THE ORGANIZATIONAL STRUCTURE OF THE SERVICE

The CO will provide the PT Minister quarterly reports detailing the composition of the Service, including:

- c. current organization chart for the Division;
- d. location and function of all Members and Support Staff;
- e. location and function of all casual and temporary employees;
- f. number of Members, in Annex "A", by rank and function, by Detachment, Unit, and at divisional headquarters;
- g. number of vacancies (i.e., no staff assigned to the positions);
- h. number of vacancies where the assigned person is on special leave, and if possible an indication of whether the position has been backfilled; and
- i. number of Members deployed who are surplus to establishment.

The CO will also provide additional statements (i.e., more frequently than quarterly) as may be reasonably requested from time to time.

Each quarterly report will include an explanation of the changes from the previous report.

In accordance with the planning requirements in Article 18, each year, the CO will consult and obtain approval in principle from the PT Minister on the number of Members and Support Staff required to maintain the level of policing in the contract jurisdiction for the following Fiscal Year.

While Article 8 indicates September 1 is the date by which this human resources planning process should be completed, Article 18 stipulates that consultation and approval in principle of the number of Members and Support Staff will be included in the budget planning exercise of June 1 and 15. The dates in Article 18 will be the timelines used by the contract parties.

With reasonable notice, the CO will provide the PT Minister with any additional information, to the extent possible, relating to human resource and organizational planning of the Service.

EQUITABLE RECRUITMENT

To ensure equitable recruitment from across the country, the RCMP will make efforts to ensure the percentage of recruits from a province or territory corresponds with the yearly average of:

- a. the percentage of Members in the Division compared to the Force as a whole; and
- b. the percentage of the province or territory's population compared to the country as a whole.

For example, if 6% of all the Force's Members work in D Division (Manitoba) and 4% of Canada's population lives in Manitoba, the percentage of recruits from Manitoba should be approximately 5%.

PROVISION APPLICABLE TO NUNAVUT

The Nunavut Police Service Agreement includes a clause stating that the contract parties recognize the existence of legislation aiming to augment the Inuit participation in government employment.

ADMINISTRATION

LOCATION, CONSTRUCTION OR RENOVATIONS TO ANY BUILDINGS AND/OR HEADQUARTERS

The consultation between the PT Minister and the RCMP on the location and size of Detachments, and other buildings in support of the Service considers the policing needs

of the communities concerned by analyzing factors such as crime data, police to population ratio, case load, overtime, response time, community expectations and Member or public safety.

The requirements for consultation and approval of plans and budgets are comprehensively covered under Article 12.

EQUITABLE RECRUITMENT

The equitable recruitment formula stipulated in the Agreement is only one of several requirements considered by the RCMP as part of its overall recruitment strategy. Other requirements include, for instance, the recruitment of sufficient cadets from designated employment equity groups (female, Aboriginal, persons with disabilities and visible minorities). Despite RCMP best efforts, it is possible that the sum of these various recruiting targets may impact the capacity of the RCMP to meet specific allotment of recruits from a contract jurisdiction.

The presence of two Divisions in Saskatchewan (F Division and Depot) is an anomaly for the purpose of calculating the appropriate allotment of cadets from that province. For reporting purposes, the number of Members in F and in Depot Division will be separated to inform Saskatchewan of the proportion of cadets that should be recruited from that province, exclusive of the number of Members posted in Depot.

The RCMP policy centre responsible for the National Recruiting Program will complete an annual report of recruits engaged from the various PTs. This report will be updated on an annual basis and will be available to the Divisions, the PTs, Public Safety Canada and CMC. All requests will be coordinated through the CAP.

ARTICLE 9: EMERGENCIES & EVENTS

This Article is structured differently than the other sections of the Companion Document; Emergencies and Events are presented in separate sections.

PURPOSE

This Article provides a mechanism for temporarily accessing extra resources to assist with police duties during an Emergency or an event. It also outlines which level of government is financially responsible for the costs of policing Major Events, Special Events and different types of Emergencies.

EMERGENCIES

BACKGROUND

For the purpose of the Agreements, an “Emergency” refers to a policing emergency, meaning an urgent and critical situation of a temporary nature that requires additional police resources to maintain law and order, keep the peace or ensure the safety of persons, property or communities. With respect to emergencies resulting from natural disasters such as fires and floods, which are covered under other federal or PT legislation such as fires and floods which are co-ordinated through jurisdiction-specific emergency management frameworksthe magnitude of the disaster often requires redeployment of additional police resources for initial response and for the ongoing protection of safety of persons endangered by the disaster. Due to the nature of Emergencies, resources may be redeployed in anticipation of an Emergency, or when an Emergency already exists. While Emergencies are not a frequent occurrence, it is important that police, as first responders, have access to extra resources as necessary; sometimes these resources may come from outside the jurisdiction experiencing the Emergency.

Redeployment of members occurs when Members are temporarily assigned to a different geographic location or Unit than where they are normally posted. For example, a Member attached to a Municipal Unit is considered redeployed if he or she is temporarily assigned to a PT or Federal Unit to respond to an Emergency.

INTERPRETATION

A key component of an Emergency is that the jurisdictional police do not have sufficient resources to deal with the situation and extra RCMP resources could be brought in from elsewhere. This could mean bringing in RCMP resources that are normally assigned to:

- a PT Unit elsewhere in the PT;
- a municipal or federal Unit within the PT; or
- RCMP resources from a different province or territory.

Under the Agreements, an Emergency is categorized as either provincial/territorial or federal. Typically, the level of government responsible for the policing activity to be delivered determines whether the Emergency is provincial/territorial or federal.

PROVINCIAL/TERRITORIAL EMERGENCY (WITHIN PROVINCE OR TERRITORY)

PT Police Service Members redeployed

If the PT Minister is of the opinion that an Emergency in an area of PT responsibility exists, or is likely to exist, the PT Minister requests in writing that the CO redeployes Members from the PT Service to maintain law and order, keep the peace and protect the safety of persons, property and communities. This means that Members assigned to a PT Police Service Unit are reassigned to assist another PT Police Service Unit. Time is usually of the essence in an Emergency response and therefore initial communications regarding operational response may likely occur between PT ADMs and RCMP CROPs to respond to the urgent and emerging situation in a timely manner. In this circumstance, the Ministerial written request may follow the initial operational response, as the situation dictates.

The PT is responsible for 70% of the costs of redeployment for the duration of the Emergency. In other words, the PT pays the costs of these Members, at the usual PT cost-share ratio of 70%, plus 70% of any additional costs Canada incurs as a result of resources being redeployed (e.g., Salary, transportation and maintenance). The cost-share remains at 70% for the duration of the Emergency. An emergency is said to have begun when the first Federal, Provincial, Territorial or Municipal Police Service assets are redeployed from outside of the usual detachment/jurisdiction for that geographic area to respond to an emergency, as defined in the PSA. The emergency is deemed to have ended when all asset(s) redeployed have returned to their respective home detachment.

PT Police Service Members redeployed as a result of a strike, dispute or disbandment of independent municipal police force

If the PT Minister is of the opinion that an Emergency exists as a result of an independent municipal police force strike, dispute or disbandment, the PT Minister may request in writing that the CO redeploy Members from the Service to maintain law and order, keep the peace and protect the safety of persons, property and communities. In other words, the Service would be policing a geographic area not normally policed by the RCMP. This Ministerial written request may follow initial operational responses, as

the situation dictates. Initial operational response communications may likely occur between PT ADMs and RCMP CROPS to respond to the situation in a timely manner.

In this case, the PT pays 70% of the costs of redeployment for the first 30 days and 100% of the costs thereafter. The PT Minister will make reasonable efforts to resolve any strike or dispute as soon as possible, or to establish a new police service for that area in a timely manner.

Temporary increase in strength of the Service - Members from municipal, federal or other Units redeployed

If Members cannot be redeployed from elsewhere in the Service, then the PT Minister may write to the CO or Commissioner requesting a temporary increase in the strength (number) of the Service. An increase in strength may occur when Members are brought from other RCMP Units in the province or territory (i.e., Municipalities policed by the RCMP, federal units or regional/divisional administrative units) or from the Service of other PTs. This Ministerial written request may follow initial operational responses, as the situation dictates. Initial operational response communications may occur between PT ADMs and RCMP CROPS to respond to the situation in a timely manner.

An increase in strength will not occur if the Commissioner thinks the increase should not take place because of other responsibilities and duties of the RCMP. In this case, the Commissioner will consult with the PT Minister before making this decision.

The PT receiving the Members pays Canada 100% of all the costs (e.g., Salary, transportation and maintenance) resulting from the increase in strength. The jurisdiction supplying the Members (e.g., Municipality, another PT or Canada) will not bear the costs directly related to the redeployment, however they are responsible for the costs of backfilling their Members while they are redeployed, should they choose to do so.

PROVINCIAL/TERRITORIAL EMERGENCY IN ANOTHER PROVINCE OR TERRITORY

If the Commissioner is of the opinion that an Emergency in an area of PT responsibility exists or is likely to exist in another province or territory, and where additional Members are required, the Commissioner may temporarily withdraw up to 10% of Members from another PT's Service as well as the necessary Equipment to deal with the Emergency. This will only occur after consultation with the supplying jurisdiction's PT Minister and with the approval of the Federal Minister. In practice ADM/CROPS/CO communication occurs prior to and in conjunction with consultation with the supplying jurisdiction's PT Minister.

The PT receiving the Members pays Canada 100% of all the costs (e.g., Salary, transportation and maintenance) resulting from the increase in strength. The jurisdiction

supplying the Members (e.g., Municipality, another PT or Canada) will not bear the costs directly related to the redeployment, however they are responsible for the costs of backfilling their Members while they are redeployed, should they choose to do so.

FEDERAL EMERGENCY ANYWHERE IN CANADA

If the Commissioner is of the opinion that an Emergency in an area of federal responsibility exists, or is likely to exist, anywhere in Canada, the Commissioner may temporarily withdraw up to 10% of Members from the Service and the necessary Equipment to deal with the Emergency. This will only occur after consultation with the PT Minister. In practice, ADM/CROPS/CO communication occurs in conjunction with consultation with the supplying jurisdiction's PT Minister.

Within province or territory

If the Emergency occurs within the province or territory, for the first 30 days Canada and the PT will pay the costs of the withdrawal and redeployment at the usual cost-share (30/70, respectively). Costs include Salary, transportation, maintenance and any necessary Equipment. After 30 days, Canada is responsible for 100% of the costs.

In another province or territory

If the Emergency exists outside the province or territory, the PT will not bear the costs directly related to the withdrawal of PT Members and any necessary Equipment regardless of the length of the Emergency. However, they are responsible for the costs of backfilling their Members while they are redeployed, should they choose to do so.

CONSULTATION REQUIRED AFTER 30 DAYS

Regardless of the type or location of the Emergency, withdrawal or redeployment of Members will not extend beyond 30 consecutive days without further consultation between the Federal Minister, PT Ministers (for supplying and receiving jurisdictions), as well as the CEO/Mayor if the Emergency is located within their jurisdiction or their Members have been redeployed (as per the MPSA). Ongoing communications (daily briefings) occur between the ADM/CROPS throughout the Emergency to gauge the response to the situation and length of time redeployment is necessary.

ADMINISTRATION

Depending on the urgency of the situation, these steps may initially be performed verbally or by e-mail, followed later by formal correspondence. Initial operational response communications may occur between PT ADMs and RCMP CROPS to respond to the situation in a timely manner. PT Minister, Federal Minister, RCMP Commissioner/CO written correspondences may follow initial operational responses as

situations dictate. Following Article 9 in this document is a summary table as well as six sample letters which can be used to formally invoke the Emergency provisions.

PROVINCIAL/TERRITORIAL EMERGENCY (WITHIN PROVINCE OR TERRITORY)

The PT Minister contacts the CO stating that an Emergency in an area of PT responsibility exists or is likely to exist, and additional RCMP resources may be required. Alternatively, the CO may make the initial contact with the PT Minister.

Consultation between the PT Minister and the CO will occur before decisions are made in respect of redeployment, Recognizing the urgency of the situation and need for immediate police response. Together they will consider options for redeployment, taking into consideration operational requirements and cost efficiency. Ministerial/CO written requests may follow initial operational responses, as the situation dictates. Initial operational response communications may occur between PT ADMs and RCMP CROPs to respond to the situation in a timely manner.

PT Police Service Members Redeployed

Members will be redeployed from elsewhere in the Service. In this case, the PT is utilizing existing PT Police Service resources and will pay 70% (i.e., the usual cost-share) of the costs of redeployment.

As these resources are coming from within the Service, the PT Minister will write to the CO asking for Service resources to be redeployed to deal with a PT Emergency.

PT Police Service Members redeployed as a result of a strike, dispute or disbandment of independent municipal police force

If the PT Emergency is the result of an independent municipal police force strike, dispute, or being disbanded, then the PT will pay the usual cost-share (i.e., 70%) of the costs of redeployment for the first 30 days, and from day 31 onwards, the PT will pay 100% of the costs.

As these resources are coming from within the Service, the PT Minister will write to the CO asking for Service resources to be redeployed to deal with a provincial Emergency.

Increase in the Strength of the Service

If Members from the Service cannot be redeployed, or additional resources are required, then the CO and PT Minister will discuss redeploying Members from elsewhere. In this case, the strength of the PT Police Service will be temporarily increased and the requesting PT will be responsible for 100% of the costs of this increase. As this is a temporary increase to the Service's strength, it does not affect the authorized strength under Annex "A".

If Members from another province or territory are required for redeployment, these steps will be followed:

1. The PT Minister will write to the CO asking for a temporary increase in the strength of the Service.
2. The CO of the requesting PT will contact CAP to coordinate the redeployment of Members from other PT Police Service(s), having regard to other duties and responsibilities of the RCMP.
3. RCMP will consult with the COs of potential supplying PTs.
4. The COs of the potential supplying PTs will consult their respective PT Minister
5. CAP will prepare documentation for the Commissioner to seek approval for the redeployment from the Federal Minister.

A copy of the PT's letter will be provided to the Federal Minister, along with confirmation that consultations were held between RCMP and the supplying and receiving province or territory.

6. The Commissioner will write to the supplying PT Minister(s) confirming that the Federal Minister has approved the potential redeployment of Members of their Service and that, as the supplying PT, they will not be responsible for any of the costs.
7. The Commissioner will write to the receiving PT Minister confirming the potential redeployment from X province or territory, and that the receiving PT is responsible for 100% of the costs of redeployment.

Table 4 below contains a summary of the Emergency provisions, including the process and financial arrangements.

FEDERAL EMERGENCY ANYWHERE IN CANADA

See the Interpretation section above for information about the process, and Table 4 below for a summary of the actions to be taken (including a sample letter for use by the RCMP and PT).

CONSULTATION

After the Emergency provisions have been invoked, there will be ongoing communication and consultation between the RCMP and the PT, including discussions regarding actual redeployment required, assessments of evolving resource requirements, timelines for the withdrawal of redeployed resources, establishing an official end-date for the Emergency, etc.

Where redeployment extends beyond 30 days, further consultation is required between the Federal Minister and the affected PT Minister(s).

TRACKING AND REPORTING

The costs related to Emergencies and Events will be tracked and monitored using cost centers to ensure the costs can be isolated and reported separately in the invoices to the PT. All resources involved in the Emergency will be tracked from Day 1 of redeployment; this includes PT Police Service (both supplying and receiving) and any federal or municipal resources that are redeployed, including Members and Equipment.

Emergencies and events will be reported to CMC to track and monitor trends over time and may serve as a reference and a foundation for determining the financial responsibility of similar cases throughout the term of this Agreement. Reporting to CMC will take place at the fall CMC meetings. Reporting on emergencies (and events) should be a standing item for the fall CMC agenda. The reporting will include in-depth discussions at the fall officials meeting followed by a high-level report delivered by RCMP at CMC.

The report should include but not be limited to the following:

- the actual redeployment that was required
- the composition of the members redeployed, (by business line, by jurisdiction)
- any equipment that was required by jurisdiction
- an assessment of how effective the process was (lessons learned)
- issues identified - areas for improvement (qualitative)
- high level financial information

An opportunity for PTs involved to provide perspective (i.e. issues, PT lessons learned) either through additional narrative to the report or by discussion will be included as part of the reporting.

EVENTS

BACKGROUND

In the 1992 Agreements, the definition of Special Event was the only mention of events in the Agreement; there were no provisions relating to process or financial responsibility. In the 2012 Agreements, the definition of Special Event was clarified and a clear definition for Major Events was added, as well as procedures for redeploying resources for both types of events.

Redeployment of Members occurs when Members are temporarily assigned to a different geographic location or Unit than where they are normally posted. For example, a Member attached to a Municipal Unit is considered redeployed if he or she is temporarily assigned to a federal or PT Unit to police a Major Event.

INTERPRETATION

MAJOR EVENTS

Major Events are those events of national or international significance, occurring within Canada, that require additional police resources and where the overall responsibility for security for that event rests with Canada.

Examples of Major Events include: an international sporting event within Canada that requires the planning or coordination of security of athletes by the RCMP in either a direct or liaison capacity; a visit to Canada by Her Majesty the Queen, members of the Royal Family, or a head of state/government; or a major summit, conference or meeting when the participants are heads of states/governments (G-8 or G-20 type forum).

Given the high profile nature of these events, natural and man-made disruptions to these events can have significant security implications that can cross local, national or international boundaries. The management of the safety and security of these events is a multi-disciplinary, multi-jurisdictional issue that requires an integrated planning mechanism to ensure seamless operational management in the event that a security issue arises.

If the Commissioner is of the opinion that additional Members are required to police the Major Event, he or she may determine that Members of the Service (or from a Municipal Unit) will be redeployed. In that case, after consulting the PT Minister (or CEO/Mayor), the Commissioner may temporarily withdraw up to 10% of Members from the Service (or Municipal Unit) as well as the necessary Equipment to deal with the Major Event. Canada is responsible for 100% of all costs of the withdrawal and redeployment. This

includes Salary, as well as transportation and maintenance costs for the duration of the Major Event.

Redeployment of Members beyond 30 days will not occur without further consultation between the Federal and PT Ministers.

Under the MPSAs and MPUAs, there are similar provisions covering the redeployment of municipal police service members for Major Events and includes a requirement for consultation with the Mayor/CEO.

SPECIAL EVENTS

Policing for Special Events is the responsibility of the jurisdictional police (i.e., provincial or municipal). Members of the Service (or Municipal Unit) can be redeployed within the Service (or to a municipal service jurisdiction) to provide additional police resources to maintain law and order, keep the peace and protect the safety of persons, property or communities.

Members of the Service will be redeployed based on the RCMP's operational assessment of the Special Event. This includes assessing the type of gathering, potential crowd behaviour and other situational factors. The duties performed by Members are to be in accordance with the duties of peace officers as outlined in Article 2.

The costs associated with redeploying Members for Special Events will be paid by the PT (or Municipality) at the cost-share ratio as set out in Article 11. This includes Salary, as well as transportation and maintenance costs.

ADMINISTRATION

PLANNING FOR AN EVENT

Major Events

As the overall responsibility for security at Major Events rests with the federal government, it is essential that the RCMP consults with the jurisdictional police during the planning process to clarify areas of responsibilities. Initial consultations should begin immediately following the confirmation of the location and date of the event. Initial contact is made to confirm an event is taking place and to recognize the need for ongoing consultation during the planning phase. The jurisdictional police are responsible for maintaining law and order, keeping the peace and protecting the safety of persons, property and communities. Redeployment of Members of the Service for federal responsibilities (including Major Events) can occur under the provision of the Agreement and when it is requested, Canada will bear all of the costs related to the

redeployment of those Members. Assistance provided by the jurisdictional police for the Major Event is at the cost-share ratio.

Special Events

When a PT (or Municipality) or RCMP Detachment becomes aware that an event is being planned in a community, they should consult to determine whether there are any additional policing requirements. The services provided by the RCMP must be consistent with the police duties outlined in Article 2.

The RCMP will prepare an operational plan based on the type of gathering, potential crowd behaviour and other situational factors. The plan should indicate what resources will be required to adequately police the event.

Human Resources

Requests for redeployment of Members to police a Special Event taking place in a PT policing jurisdiction are to be coordinated between the PT and the RCMP. All requests for policing Special Events should go through the CO.

The RCMP should determine the most cost effective means of accessing additional resources. This may include utilizing jurisdictional PT Members on overtime, PT or municipal Members from a neighbouring jurisdiction (which would preclude the need for relocation), a reservist, or Members from elsewhere in the PT for the duration of the Special Event. A Special Event will not require the redeployment of Members from another PT.

Financial

The operational plan will include an estimate of the policing costs. These costs may include Salary, transportation (i.e., fuel), meals, accommodations, etc.

When municipal Members are redeployed for a Special Event in a provincial jurisdiction, the Municipality will not bear the costs directly related to the withdrawal and redeployment of their municipal Members regardless of the length of the Special Event (the PT will cover the Municipality's portion of the cost-share for the redeployed resources, with Canada paying the remaining 30% or 10%). However, the Municipality is responsible for the costs of backfilling their Members while they are redeployed, should they choose to do so.

The PT or local government policed by the Service may choose to recover their costs for policing the Special Event from the event organizer. Cost recovery arrangements should be made prior to the event. In order to recover the costs from the third party, after the event the RCMP will provide the PT (or Municipality) with a spreadsheet detailing the actual policing costs. The PT (or Municipality) is responsible for actual cost recovery. Cost recovery from third parties reflects the PT's (or Municipality's) share of the cost-sharing ratio (i.e., 100% of the PT's 70%, or 70% of the actual cost).

Table 4: Summary of Emergency and Event Provisions in Agreements

Subarticle	Type	Location of Emergency/Event	Police Jurisdiction of Emergency/Event	Resources coming from?	Action	Protocol	First 30 Days	After 30 Days	Sample Letter to be Utilized
9.1	PT Emergency	Within province/territory	PT Police Service jurisdiction	PT Police Service	Internal redeployment of Service resources	PT writes to CO requesting redeployment of Service	PT pays regular cost-share (70%)		Sample 1: PT Minister to CO. For internal redeployment of resources or increase in strength.
9.1	PT Emergency	Within province/territory	Independent/non-RCMP municipal police service	PT Police Service	Internal redeployment of Service resources	PT writes to CO requesting redeployment of Service	PT pays regular cost-share (70%)	PT pays 100% (Salary, transportation and maintenance)	Sample 2: PT Minister to CO. For internal redeployment of resources due to temporary need to police area normally policed by independent police service.
9.2	PT Emergency	Within province/territory	PT Police Service jurisdiction	RCMP Municipal, Federal or Another P/T	Temporary increase in strength of Service	1. PT writes to CO requesting increase in strength of Service; 2. CO consults with CEO/Mayor or other PT's Minister before decision made	"Receiving" PT pays 100% (Salary, transportation and maintenance) Note: Exception in BC where Municipal RCMP are redeployed		Sample 1: PT Minister to CO. For internal redeployment of resources or increase in strength.
9.3	PT Emergency	In another province/territory	PT Police Service jurisdiction	PT Police Service	Temporary Withdrawal of up to 10% of Members in Service and necessary Equipment	1. Commissioner consults with "supplying" PT; 2. Federal Minister to approve withdrawal of resources	"Supplying" Municipality will not bear the Salary and incremental costs of the Members and Equipment withdrawn; "Receiving" PT pays 100% (Salary, incremental costs of Members and Equipment)		Sample 3: Commissioner to Federal Minister. For increase in strength inter-division. Sample 4: Commissioner to "Supplying" PT Minister. For increase in strength inter-division. Sample 5: Commissioner to "Receiving" PT Minister. For increase in strength inter-division.
9.4	Federal Emergency	Within province/territory	Any	PT Police Service	Temporary Withdrawal of up to 10% of Members in Service and necessary Equipment	Commissioner consults with "supplying" PT	PT pays regular cost-share (70%)	Canada pays 100% (Salary, transportation, maintenance, Equipment)	Sample 6: Commissioner to PT Minister.
9.4	Federal Emergency	In another province/territory	Any	PT Police Service	Temporary Withdrawal of up to 10% of Members in Service and necessary Equipment	Commissioner consults with "supplying" PT	"Supplying" PT will not bear the Salary and incremental costs of the Members and Equipment withdrawn; Canada pays 100% (Salary, incremental costs of Members and Equipment)		Sample 6: Commissioner to PT Minister.
9.5	Major Event	Anywhere in Canada	Any	Service	Temporary Withdrawal of up to 10% of Members in Service and necessary Equipment	Commissioner consults with "supplying" PT	Canada pays 100% (Salary, transportation, maintenance, Equipment)		
9.7	Special Event	Within province/territory	PT Police Service jurisdiction	PT Police Service	Internal redeployment of Service resources	None articulated in PSAs. PT consults with CO to determine extra resource requirements and source	PT pays regular cost-share (70%) (Salary, transportation and maintenance)		

Provincial/Territorial Emergency**Sample letter no. 1: Provincial/Territorial Minister to Commanding Officer****For internal redeployment of resources (subarticle 9.1) or increase in strength (subarticle 9.2)**

Dear (*Name of CO*),

As you are aware, (*details about the situation and type of concerns it raises*). This (*type of situation*) does, in my opinion, constitute an emergency in the (*name of Province/Territory*). The purpose of this letter is to formalize our previous communications on this matter.

Pursuant to subarticle 9.1 of the (*name of Province/Territory*) Police Service Agreement (PSA), I request that you prepare to redeploy the (*name of Province/Territory*) Provincial or Territorial Police Service to the extent necessary to maintain law and order, and to ensure the safety of persons and property in the affected communities.

I also recognize that it may become necessary to invoke subarticle 9.2 and to seek additional resources by drawing RCMP personnel and/or equipment from elsewhere within the (*name of Province or Territory*) and/or from neighbouring provinces and territories. It would be appreciated if you would notify me if such action is taken.

An increase in strength may not be necessary if the extraordinary demand related to this emergency can be absorbed by temporary redeployment within the Service. It is understood that (*name of the Province/Territory*) will pay to Canada 100 per cent of all the costs related to any increase in strength, in accordance with paragraph 9.2.(b) of the PSA.

Sincerely,

Provincial/Territorial Minister

Sample letter no. 2: Provincial/Territorial Minister to Commanding Officer**For internal redeployment of resources due to temporary need to police area normally policed by an independent municipal police service (subarticle 9.1)**

Dear (*Name of CO*),

As you are aware, (*municipal police strike or dispute, or disbandment - details about the situation*). In my opinion, this constitutes an Emergency in (*name of Province*).

Pursuant to subarticle 9.1 of the (*name of Province*) Police Service Agreement (PSA), I request that you prepare to redeploy the (*name of Province*) Provincial Police Service to the extent necessary to temporarily maintain law and order, and to ensure the safety of persons and property in the communities affected by the (*strike, dispute or disbandment of name of police service*).

It is understood that redeployed resources from the (*name of Province*) Provincial Police Service will be tracked during the entire time of the Emergency and, should the Emergency

extend past 30 consecutive days, that *(name of Province)* will pay to Canada 100 per cent of all the costs related to the redeployment.

Sincerely,

Provincial/Territorial Minister

Sample letter no. 3: Commissioner to Federal Minister

For increase in strength inter-division (subarticle 9.3)

Dear *(Name of Federal Minister)*,

The Honourable *(name)*, Minister responsible for Policing and/or Public Safety for *(name of Province/Territory)*, has declared an emergency which may require that I temporarily increase the strength of the *(Provincial or Territorial)* Police Service in *(name of province/territory)*, in accordance with the emergency policing provisions of subarticle 9.2 of the Police Service Agreement (PSA). This measure is anticipatory and will only be implemented in the event that the extraordinary demand on the Police Service necessitate extra resources to *(details about the required policing emergency)*, that threatens the well-being and security of citizens of the *(name of province/territory)*. A copy of the request is attached for your perusal.

Under the circumstances, and after due consideration to the RCMP's other responsibilities and consultation with contract jurisdictions, I am of the opinion that additional resources could be temporarily redeployed to the *(Provincial or Territorial)* Police Service in *(name of province/territory)*. It is understood that the *(name of the province/territory)* will be responsible for 100 per cent of the costs related to the redeployment of any additional resources. The actual time and number of resources deployed from other services or divisions, as required, will be left at the discretion of the Commanding Officer of *(name of Division)* Division in *(name requesting province/territory)* who will also be responsible for monitoring the use of any such additional resources. The additional resources could be drawn from other RCMP units or services within the *(name of the requesting province)* or the Provincial/Territorial Police Service(s) in *(name of the supplying province(s)/territory(ies))*. Preliminary consultations with officials from these provinces/territories have already taken place and they are supportive of the proposed approach.

In keeping with subarticle 9.3 of the PSA, your approval is requested for the temporary withdrawal of up to ten per cent of the members of the Provincial/Territorial Police Service(s) outside of *(name of requesting Province/Territory)*. With your concurrence, I will then advise the respective Minister(s) in *(name of supplying province(s)/territory(ies))* of the proposed redeployment.

In the event that the redeployment would extend beyond 30 consecutive days, you would be promptly notified in order to prepare for consultation with your provincial/territorial ministerial counterpart and to examine whether measures are being taken to resolve the emergency without undue delay and without unduly affecting the services provided in the originating jurisdiction(s).

Sincerely,

RCMP Commissioner

I approve ☐

I do not approve ☐

Federal Minister

Sample letter no. 4: Commissioner to supplying Provincial/Territorial Minister

For increase in strength inter-division (subarticle 9.3)

Dear *(Name of Provincial/Territorial Minister)*,

As a result of (details about the situation that led to the declaration of emergency), the Honourable Minister responsible for Policing and/or Public Safety in the *(Province/Territory)* requested that I stand prepared to temporarily increase the establishment of the *(Provincial or Territorial)* Police Service in *(name of Province/Territory)*, in accordance with the emergency policing provisions of subarticle 9.2 of the Police Service Agreement (PSA). It is my understanding that *(name of the Commanding Officer)*, Commanding Officer in *(name of Division in name of Province or Territory)*, has been in contact with you in relation to this matter. The purpose of this letter is to formalize previous communications on this matter.

Pursuant to subarticle 9.3 of the PSA in *(Province/Territory)*, and with the approval of the Honourable Minister of Public Safety and Emergency Preparedness from Canada, the RCMP plans to redeploy members of the *(Provincial or Territorial)* Police Service in *(Province/Territory)* to the *(requesting Province/Territory)*. Since the need for additional resources could become critical on short notice, I am implementing the emergency provisions of the PSA as an anticipatory measure. The actual time and number of resources deployed from *(supplying Province/Territory)*, if required, will be left at the discretion of the Commanding Officer of *(name of Division)* in *(requesting province/territory)*, in consultation with the Commanding Officer of *(name of Division)* Division in *(name of supplying province/territory)*.

In accordance with the terms of the PSA, a maximum of ten per cent of the members of the Police Service in *(supplying Province/Territory)* may be withdrawn for the purpose of an emergency in another province or territory and during the entire period these resources are away, you will not bear any cost related to the redeployment. The *(requesting Province/Territory)* will assume all costs related to the redeployed members, including salaries, transportation and maintenance. All salary costs will be deducted from the overall expenditures of the *(name of supplying province/territory)* Police Service, based upon the length of time the members were absent from their home units. A detailed accounting will be provided by the Commanding Officer of *(name of Division)* Division in *(name of supplying province/territory)* at the conclusion of any such redeployment.

Should the redeployment extend beyond 30 consecutive days, you will be promptly notified in order to prepare for consultation to examine whether measures are being taken to resolve the

emergency without undue delay and without unduly affecting the services provided in your jurisdiction,

I would like to take this opportunity to express my appreciation for your cooperation in assisting to have this matter resolved. Let me assure you that the RCMP will continue to ensure the safety and security of the citizens of your (*name of Province/Territory*) at all times while the events in (*requesting Province/Territory*) are unfolding.

Sincerely,

RCMP Commissioner

cc. Commanding Officer

Sample letter no. 5: Commissioner to requesting Provincial/Territorial Minister

Increase in strength inter-division (subarticle 9.3)

Dear (Name of Provincial/Territorial Minister),

I am writing in relation to the emergency that you declared (*date and detail about the emergency*) and the possible requirement to temporarily increase the strength of the (*Provincial or Territorial*) Police Service in (*name of province/territory*) in accordance with the emergency provisions of the Police Service Agreement (PSA). The purpose of this letter is only to formalize previous communications on the matter.

Pursuant to subarticle 9.3 of the PSA, the Minister of Public Safety and Emergency Preparedness of Canada approved the temporary withdrawal of up to ten percent of the members of the (*Provincial or Territorial*) Police Service(s) from (*supplying province(s)/territory(ies)*) for deployment to (*requesting province/territory*).

It is understood that (*name of the Province/Territory*) will pay to Canada 100 per cent of all the costs related to any increase in strength, including salaries, transportation and maintenance, in accordance with paragraph 9.2.(b) of the PSA. The timing and number of resources deployed is left to the discretion of the Commanding Officer of “___” Division (*requesting province/territory*), who will keep you informed of redeployment efforts.

Sincerely,

RCMP Commissioner

cc. Commanding Officer of the Division

Federal Emergency

Sample letter no. 6: Commissioner to Provincial/Territorial Minister

For redeployment of the Service intra-division (paragraph 9.4 (a)) or inter-division (paragraph 9.4 (b))

Dear (*Name of Provincial/Territorial Minister*),

As you are aware, there currently exists a situation (*details about the situation and the location of the situation*), which is likely to necessitate extraordinary police action. It is my understanding that (*name of the Commanding Officer*), Commanding Officer in (*name of Division in name of Province or Territory*), has been in contact with you in relation to this matter. The purpose of this letter is to formalize previous communications on this matter.

In view of the above circumstances and the time and efforts that may be required before this matter is resolved, I declare a federal emergency pursuant to subarticle 9.4 of the (*name of the Province/Territory*) Police Services Agreement (PSA) which allows me to temporarily redeploy up to ten per cent of the members from the (*Provincial or Territorial*) Police Service to the extent necessary to maintain law and order, and to ensure the safety of persons and property in the affected communities.

The actual time and number of resources deployed from the (*Provincial or Territorial*) Police Service will be determined in consultation between you and the Commanding Officer of (*name of Division*) Division in your (*province or territory*).

(where Emergency is within the Province/Territory) In accordance with the terms of the PSA, for the first 30 days of the redeployment, all costs of redeployed members will be cost-shared between Canada and (*name of Province or Territory or Municipality*) at the 70/30 ratio. After 30 days, Canada will assume 100 percent of all costs related to the redeployed members, including salaries, transportation and maintenance. All salary costs will be deducted from the overall expenditures of the (*Provincial or Territorial*) Police Service, based upon the length of time the members were absent from their home units. A detailed accounting of all redeployed (*provincial or territorial*) members will be maintained by the Commanding Officer of (*name of Division*) Division in your *province/territory* and will be provided to you at the conclusion of any such redeployment.

(where Emergency is outside the Province/Territory) In accordance with the terms of the PSA, Canada will assume all costs related to the redeployed members, including salaries, transportation and maintenance. All salary costs will be deducted from the overall expenditures of the (*Provincial or Territorial*) Police Service, based upon the length of time the members were absent from their home units. A detailed accounting of all redeployed (*provincial or territorial*) members will be maintained by the Commanding Officer of (*name of Division*) Division in your *province/territory* and will be provided to you at the conclusion of any such redeployment.

I will endeavour to keep you informed with respect to the duration of any deployment that may take place. Should the deployment extend beyond 30 consecutive days, you will be promptly notified in order to prepare for consultation to examine whether measures are being taken to

resolve the emergency without undue delay and without unduly affecting the services provided in your jurisdiction,

I would like to take this opportunity to express my appreciation for your cooperation in assisting in this matter and trust that this correspondence will prove sufficient to obtain your endorsement.

Sincerely,

RCMP Commissioner

cc. Commanding Officer

ARTICLE 10: MUNICIPALITIES

PURPOSE

Article 10 stipulates the terms for Municipalities to be policed by the RCMP. For provinces other than Alberta and Saskatchewan, it also sets out the province's authority to police Municipalities between 5,000 and 14,999 population with the RCMP Provincial Police Service, and specifies the manner in which costs will be covered.

BACKGROUND

The three territories do not have municipal policing. Article 10 in the Territorial Police Service Agreements simply states that no area is considered a Municipality under the Agreements with the entire territory falling under the jurisdiction of the Service. Similarly, Newfoundland and Labrador does not have municipal policing in their province, so most of this section of the Companion Document is applicable only to the remaining seven provinces with contract policing.

A new provision was introduced to the 2012 Agreements which allows the Service to continue policing a Municipality that meets or exceeds 5,000 population.⁴ This option is available at the PT Minister's direction and is contingent on the Municipality remaining under 15,000 population and the arrangement being cost neutral to Canada. This new provision gives PTs some flexibility in terms of utilizing different policing models.

Otherwise, Municipalities with populations over 5,000 are policed under individual MPSAs. If a Municipality not currently policed by the RCMP is interested in entering such an agreement with Canada, it would be subject to admissibility criteria established by the federal government for a new municipal agreement. The admissibility criteria are covered in the New Entrants Guidelines (NEG) which stipulate two sets of terms: one with respect to municipalities never previously policed by the RCMP and the other, with respect to regional policing areas. The NEG is further explained at the end of the Administration section.

INTERPRETATION

DEFINITIONS SPECIFICALLY APPLICABLE UNDER THIS ARTICLE

The Article provides definitions for Furnished, Municipal Occupancy Ratio and Municipal Support Staff. Municipality is defined under Article 1.

⁴ This provision is not included in the Alberta or Saskatchewan Police Service Agreements.

Municipalities are responsible for 100% of the accommodations related costs including, the furnishings. Items that do not fall within the definition of Furnished are subject to the applicable cost-share ratio set out in Article 11.

Under this Article, the Municipal Occupancy Ratio is used to calculate the portion of accommodations costs related to a PT Police Service Unit providing policing to a Municipality.⁵ Similarly, in this Article “Municipal Support Staff” refers to persons utilized in support of the Provincial Police Service Unit providing policing to a Municipality.

POPULATION THRESHOLD – 10.2

Generally, the PT Police Service is not required to deliver policing services in any Municipality having a population of 5,000 or more. At that threshold, Municipalities previously policed under the PT Police Service become subject to a different set of terms. These Municipalities may decide to obtain their policing services from an independent police service. To continue receiving policing services from the RCMP, there are two options.⁶ The Municipality will enter into a MPSA or, in British Columbia, a MPUA. Alternatively, the PT Minister could direct that the Municipality continue being policed by the PT Police Service under a Provincial Police Unit for that Municipality.

GRANDFATHERING – 10.3(a)

Any Municipality policed by the RCMP under a MPSA or MPUA on March 31, 2012, was automatically eligible for a 2012 Agreement.

In the past, some municipalities with populations below 5,000 entered into MPSAs. Where these arrangements were in force on March 31, 2012, regardless of the population threshold, they were eligible for a 2012 Agreement.⁷ There are Municipalities of less than 5, 000 population with 2012 MPSAs in Manitoba, Nova Scotia and New Brunswick.

MUNICIPALITIES 5,000 POPULATION OR MORE – 10.3(b)

Municipalities with populations of 5,000 or more that were policed by the Service on March 31, 2012, had one or two options if they wished to continue to receive RCMP policing services after that date. All Municipalities were eligible to sign a 2012 MPSA or MPUA⁸. Alternatively, the PT Minister could direct that the Municipality continue being

⁵ Some Divisions use a similar occupancy ratio formula to calculate occupancy costs for any building occupied by more than one type of RCMP police service (e.g., provincial and municipal).

⁶ The second option is not available under the Alberta or Saskatchewan Police Service Agreements.

⁷ While the Agreements allowed for grandfathering, some provinces have legislation that prohibited grandfathering of these Agreements.

⁸ In British Columbia, the Municipality would sign a MPUA with the provincial government and the provincial government would add the Municipality to Annex “A” of the province’s MPSA with the federal government.

policed by the Service (as long as its population is and remains less than 15,000, and the arrangement remains cost neutral to Canada).⁹ This requires that the PT absorb the costs that would otherwise be covered by the Municipality according to the terms of the MPSAs or MPUAs (i.e., 100% of accommodations, Support Staff).

Note: The contract parties support a wider interpretation of this provision that would allow the PT Minister to direct that a Municipality with a population between 5,000 and 14,999 that had a MPSA or MPUA as of March 31, 2012 (rather than being policed by the Service on that date), may be policed by a Unit of the PT Police Service if so directed by the PT Minister.

EMERGING MUNICIPALITIES – 10.3(c)

Municipalities policed by the PT Police Service that meet or exceed a population of 5,000 during the term of the Agreement have one or two options if they wish to continue to receive RCMP policing services. All Municipalities are eligible to sign a MPSA or MPUA¹⁰. Alternatively the PT Minister may direct that the Municipality continue being policed by the PT Police Service (as long as its population is and remains less than 15,000, and the arrangement remains cost neutral to Canada).¹¹ This requires that the PT absorb the costs that would otherwise be covered by the Municipality according to the terms of the MPSAs or MPUAs (i.e., 100% of accommodations, support staff).

EMERGING (OTHER) – 10.3(d)

During the 20-year term of the Agreement, if an area policed by the PT Police Service becomes a Municipality and has a population of 5,000 or more, the Municipality has one or two options, if they wish to continue to receive RCMP policing services. All Municipalities are eligible to sign a MPSA or MPUA¹². Alternatively, the PT Minister may direct that the Municipality continue being policed by the PT Police Service (as long as its population is and remains less than 15,000, and the arrangement remains cost neutral to Canada).¹³ This requires that the PT absorb the costs that would otherwise be covered by the Municipality according to the terms of the MPSAs or MPUAs (i.e., 100% of accommodations, support staff).

⁹ This option is not available under the Alberta and Saskatchewan Police Service Agreements.

¹⁰ See footnote #5.

¹¹ See footnote #6.

¹² See footnote #5.

¹³ See footnote #6.

MUNICIPALITY 5,000 OR OVER POLICED BY THE PT POLICE SERVICE – 10.4 AND 10.5

If the PT Minister directs that a Municipality 5,000 or over be policed by a Unit of the Provincial Police Service, then the PT becomes responsible for the costs normally incurred by a Municipality, as outlined below.

Support staff – 10.4

Under the MPSAs or MPUAs, Municipalities are responsible for 100% of the costs related to providing support staff for their Municipal Police Service. Similarly, if the PT Minister chooses to police the Municipality with a Provincial Police Unit, the PT becomes responsible for providing the support staff and covering 100% of the related costs. The support staff must meet the job and other related requirements as determined by the Commissioner.

If the support staff are also supporting federal police units, Canada will calculate the proportionate share of the Salaries attributable to each policing Unit and ensure that the PT is charged 100% only for the costs related to the support staff supporting the Provincial Police Unit which is policing the Municipality.

Canada may provide federal public service employees to act as Municipal Support Staff if the PT does not fill these positions. In that case, Canada will provide reasonable notice to the PT that they will be taking this step and the PT will pay 100% of the costs incurred by Canada.

Accommodations for Provincial Police Unit policing a Municipality at the PT Minister's Direction – 10.5

Under the MPSAs or MPUAs, Municipalities are responsible for providing accommodations for their Municipal Police Service and paying 100% of the related costs. Similarly, if the PT Minister directs that a Municipality be policed with a Provincial Police Unit, the PT becomes responsible for paying 100% of the accommodations costs (thus ensuring this arrangement remains cost neutral to the federal government). This includes accommodations for both Members and support staff. The Article prescribes the elements that are included in municipal accommodations, such as furnished office space including utilities (e.g., heat, light, water supply) and, if required, jail cell facilities and garage space.

The accommodations will be provided by the PT unless the PT and Canada agree that Canada will provide the accommodations. Both scenarios are described below.

Accommodations provided by PT

The PT will provide and maintain accommodations for the Provincial Police Unit policing the Municipality.¹⁴ The PT will pay 100% of the costs, including: all operating and maintenance costs (such as building and property maintenance services).

The accommodations provided must be to the satisfaction of the Commissioner and meet the security standards of the RCMP. If the Commissioner has any concerns with the accommodations provided, he or she will provide the Provincial Minister with written notice of the reasons the accommodations is not satisfactory and detailed information on the necessary actions to resolve the deficiencies. The PT has two years to correct the deficiencies to the satisfaction of the Commissioner, or Canada may take corrective action itself or lease other accommodations and charge the province 100% of the costs. More information is provided under Administration below.

Accommodations provided by Canada

If, by arrangement between Canada and the PT, Canada provides and maintains any accommodations for use by the Provincial Police Unit policing a Municipality, the PT will pay to Canada 100% of the costs incurred by Canada to provide and maintain these accommodations. The PT's share of the costs is determined annually using the Municipal Occupancy Ratio formula. The PT will also pay 100% of any payment in lieu of taxes (PILT) for that building, based on the Municipal Occupancy Ratio. More information is provided under Administration below.

Exempted Costs

Any costs relating to the transfer of Members into the Provincial Police Unit policing the Municipality will not be billed to the PT. Canada is responsible for 100% of these costs. This is in keeping with the provisions under the MPSAs and MPUAs.

PROVISIONS UNIQUE TO CERTAIN PROVINCES

Alberta has not elected to adopt the option for a municipality over population of 5,000 to remain being policed by the provincial police service because of the manner in which the responsibility for the provision of policing services is governed under its police act.

Saskatchewan, as well, has not elected to adopt this clause.

British Columbia has a different model for RCMP municipal policing. See Article 1 in this document for more information.

¹⁴ The accommodation may be owned or leased by the province. The province may lease the accommodations from the Municipality. Regardless of the arrangement, the PT is responsible for 100% of the accommodations costs related to a Provincial Police Unit policing a Municipality.

Manitoba, Nova Scotia and Newfoundland and Labrador

The provinces of Manitoba, Nova Scotia and Newfoundland and Labrador required jurisdiction-specific provisions in their Agreements to match their legislative requirements and reflect the jurisdictional responsibilities for policing the various areas in their respective provinces:

The **Manitoba** Agreement contains a distinct definition of Municipality which reflects its provincial statute, namely the *Municipal Act*.

The **Nova Scotia** Agreement contains a distinct definition of Municipality which excludes municipalities incorporated as municipalities under a county or a district. Article 10 also specifically protects the Halifax Regional Municipality under the Provincial Police Service, excluding it from the population threshold criteria.

The **Newfoundland and Labrador** Agreement stipulates the responsibility for policing all areas of the province, without being subject to a population threshold, with the exception of areas specifically listed under 10.2(b) (i.e., St. John's and Metropolitan Area including Mount Pearl, Corner Brook, Labrador City/Wabush and Churchill Falls).

ADMINISTRATION

COST-SHARE

The cost-share under existing RCMP Police Service Agreements is determined as follows:

- provinces, territories and municipalities with populations between 5,000 and 14,999, pay 70% and the federal government pays 30%; and
- municipalities with populations 15,000 or more pay 90% and the federal government pays 10%.

For new entrant Municipalities that have never been policed by the RCMP, if the Municipality meets federal admissibility criteria (as per the federal government New Entrants Guidelines (NEG)), the Municipality pays 100%.

POPULATIONS

The terms applicable to the determination of population are stipulated in the MPSAs and MPUAs. The population of a Municipality is determined by the Statistics Canada Census of Population in the following manner:

- for the period of April 1, 2012, to March 31, 2017, with the 2011 federal census data (published in February 2012);
- for the period of April 1, 2017, to March 31, 2022, with the 2016 federal census data;

- for the period of April 1, 2022, to March 31, 2027, with the 2021 federal census data; and
- for the period of April 1, 2027, to March 21, 2032, with the 2026 federal census data.

Population data from the federal census provides the basis upon which the contract parties will identify emerging Municipalities. The PTs are responsible for providing the RCMP and Public Safety Canada with clarification and confirmation of any emerging Municipality.¹⁵

5,000 POPULATION THRESHOLD

Municipalities that meet or exceed 5,000 population in the federal census and want to continue to receive RCMP services, will need to enter into a MPSA or MPUA, unless the PT Minister directs that the Municipality be policed by a Unit of the Provincial Police Service.

The effective date of new MPSAs or MPUAs is April 1 of 2012, 2017, 2022, or 2027. Some provinces have legislation that allows a specific amount of time for a municipality to transition into a municipal agreement. In these cases, the contract parties will work together to find a mutually agreeable solution.

All MPSAs and MPUAs include similar terms and conditions and are only customized to reflect information specific to that Municipality (such as its name, the CEO's information, and the specific authorization to enter into the Agreement). The terms and conditions of any new MPSAs and MPUAs will also contain similar clauses and are not subject to negotiation.

STEPS FOR AN EMERGING MUNICIPALITY TO ENTER A MPSA OR MPUA

1. Pre-census planning

The process to identify Municipalities that may reach or exceed 5,000 population in the federal census includes the following steps:

- a. approximately one year prior to the release of federal census data, the PT and RCMP Division begin monitoring population estimates to identify Municipalities which may meet or exceed 5,000 population; and
- b. the PT and/or RCMP Division will engage with the Municipalities that may emerge to discuss the potential change in their policing responsibilities and the impact of entering a new MPSA.

¹⁵ Provincial guidance is important because the federal census uses geographic codes to designate population centres (e.g., rural municipality, regional municipality, district municipality) which are not indicative of the legal status of the communities in each jurisdiction.

In British Columbia, because it is the province that signs the MPUA with the Municipality, the province leads on all contact with the Municipalities regarding potential new policing responsibilities and entering a MPUA. More information can be found in British Columbia's Municipal Companion Document.

2. Release of federal census data

- a. In consultation with RCMP Divisions, PTs confirm which Municipalities have met or exceeded the 5,000 population threshold in the federal census.
- b. PTs advise Municipalities in writing that they met or exceeded 5,000 population.
- c. CAP coordinates with RCMP Divisions to identify all the emerging Municipalities across Canada and to keep Public Safety Canada informed.

3. The PT Minister writes to the Federal Minister to declare the Municipality's choice to continue being policed by the RCMP under a MPSA. The letter is copied to the CO and the CEO/Mayor.

** This step does not apply to British Columbia - go directly to Step 4.*

4. The RCMP Division, the PT and the Municipality engage in operational planning including establishing: the effective date of the new MPSA or MPUA; number of resources required; and budget for the new municipal service.

5. A) MPSA Preparation (see 5B) MPUA Preparation for British Columbia)

- a. Public Safety Canada drafts and prepares the new MPSA, in consultation with the RCMP, the PT and the Municipality.
- b. The PT and Municipality will ensure they have the proper authority (e.g., PT Order in Council) to enter into the MPSA. The Federal Minister has been granted the authority to enter into new MPSAs with emerging Municipalities on behalf of Canada by way of a generic Order in Council.
- c. Public Safety Canada will send two original copies of the MPSA, signed by the Federal Minister, to the Municipality for the CEO/Mayor's signature. Each party will retain an original copy of the signed MPSA, and copies will be shared with the PT and the RCMP.

5. B) MPUA Preparation (British Columbia Only)

- a. The Province of British Columbia passes an Order in Council authorizing the Provincial Minister to enter into a MPUA with each of the emerging Municipalities. The Municipality also obtains authorization to enter a MPUA.
- b. The province prepares two copies of the MPUAs, indicating the agreed upon authorized strength in Annex "A". Both copies are sent to the Mayor for signature. The Provincial Minister subsequently signs the MPUA and returns one of the originals to the Municipality.

- c. For each emerging Municipality, the Provincial Minister writes to the Federal Minister advising that the Municipality signed a MPUA and the respective authorized strength. The PT Minister also requests that the Municipality be added to Annex “A” of the province’s MPSA.

In accordance with the *RCMP Act*, the Federal Minister will ensure a copy of the new Agreement is tabled with Parliament within 15 days.

Impact on the PT Police Service

The authorized strength of the Service may need to be adjusted due to the establishment of a separate RCMP Municipal Police Service. If necessary, a decrease to the schedule of personnel in Annex “A” will require an exchange of notices between the Federal and PT Ministers, in accordance with Article 5.

Municipalities signing MPSAs are automatically excluded from the geographic area of the Provincial Police Service and therefore the exclusion provisions under Article 4 are not applicable and the exchange of notices is not required.

Municipalities signing MPUAs continue to fall under the jurisdiction of the Provincial Police Service due to the contractual arrangements in British Columbia. Therefore, notices under Article 4 are not required. Annex “A” of the MPSA lists all of the Municipalities that have signed MPUAs with the provincial government.

Process to establish a Unit of the Provincial Police Service to police a Municipality 5,000 to 14,999 population

The establishment of a Provincial Police Service Unit requires a billing adjustment so that the PT is covering the additional financial responsibilities of Municipalities (100% of municipal support staff and accommodations costs).

Transition from a MPSA or MPUA to Provincial Police Unit

There are two possible situations where a RCMP Municipal Police Service may be transitioned to the PT Police Service:

- According to the federal census results, the Municipality’s population has fallen below the 5,000 population threshold;¹⁶
- The PT Minister has directed that a Municipality between 5,000 and 14,999 population with a MPSA or MPUA be policed instead by a Provincial Police Unit.¹⁷

These steps should be followed:

¹⁶ The Municipality does not automatically become ineligible for a MPSA or MPUA and where agreeable to the contract parties, the MPSA may be continued. Some PTs may have legislation which prohibits the continuation of the Agreement if a Municipality falls below 5,000 population

¹⁷ This is not an option in Alberta or Saskatchewan as their Agreements do not contain this provision.

1. Notice of termination of the MPSA to be communicated by the CEO/Mayor of the Municipality to the Federal and PT Ministers. The CO will be copied on this letter.
 - For British Columbia: The Provincial Minister will advise the Federal Minister in writing that the MPUA is being terminated and request that the list of Municipalities under the province's MPSA be adjusted accordingly. The Federal Minister will confirm in writing that Annex "A" of the MPSA has been adjusted as requested.
2. Any required adjustments to the authorized strength of the PT Police Service (Annex "A") will require an exchange of notices between the Federal and PT Ministers in accordance with Article 24.
 - For British Columbia: The Provincial Minister will advise the Federal Minister if the PPSA's Annex "A" is being increased as a result of the MPUA being terminated and, if so, by how many positions (Members and support staff).
3. If required, an overall budgetary adjustment will be made to reflect the added responsibilities of the new Unit of the Provincial Police Service.

15,000 POPULATION THRESHOLD

Municipalities with MPSAs or MPUAs that reach 15,000 population or higher in the federal census migrate from a 70% to a 90% cost-share, as stipulated by the MPSAs and MPUAs. Similarly, if a Municipality with a MPSA or MPUA falls below 15,000 in the federal census, it will migrate from a 90% to a 70% cost-share.

The effective date for a change in the cost-share ratio is the same as the dates for new MPSAs or MPUAs: April 1 of 2012, 2017, 2022, or 2027. As the MPSAs and MPUAs contain the cost-share ratios for both Municipalities between 5,000 and 14,999 population, and Municipalities 15,000 population or higher, a new Agreement is not required.

UNSATISFACTORY ACCOMMODATIONS

Paragraph 10.5(d) sets out a detailed recourse process when concerns about accommodations provided by the PT for a Provincial Police Unit policing a Municipality cannot be resolved informally. See the table below.

Table 5: Recourse Process for Unsatisfactory Accommodations

Steps	Actions	Timelines
First notice	The Commissioner will provide the PT Minister with a written communication providing the details of the deficiency along with the measures required for correction.	PT Minister given two years to correct the deficiency to the satisfaction of the Commissioner.

Second notice	If the deficiency has not been corrected to the satisfaction of the Commissioner within one year of the first notice, the Commissioner will provide another written communication to the PT Minister detailing the deficiency.	Issued one year after the first notice was sent.
Written report	The PT Minister will provide the Commissioner with a written report of the actions that will be taken to ensure the deficiency is corrected within two years of the first notice.	PT Minister to provide the written report as soon as possible after receiving second notice.
Final notice	If the deficiency has not been corrected within two years of the first notice, the Commissioner will provide a final written communication to the PT Minister stating the accommodations are still unsatisfactory. The Commissioner will advise what steps Canada intends to take to either correct the deficiency or lease other accommodations and also inform the PT Minister that 100% of the costs incurred by Canada will be billed to the PT.	Issued two years after the first notice was sent.

CALCULATING THE PT SHARE OF ACCOMMODATIONS COSTS WHEN CANADA PROVIDES THE ACCOMMODATIONS

If Canada and the PT agree that Canada will provide and maintain the accommodations to be used by the Provincial Police Unit policing a Municipality at the PT Minister's direction, the PT is responsible for 100% of their proportionate share of accommodations costs. The municipal occupancy ratio is used to calculate the PT's proportionate share.

The municipal occupancy ratio is calculated by taking the total number of established positions assigned to the Provincial Police Unit working at that building on April 1 of that Fiscal Year and dividing by the total number of established positions assigned to work out of that building on the same date. The positions used in this formula are the aggregate number of established positions whether they are staffed or vacant. The municipal occupancy ratio is then applied to the total cost incurred by Canada for that building for that Fiscal Year. The PT is responsible for 100% of its proportionate share in relation to the Provincial Police Unit on a building by building basis.

The PT will also pay 100% of the payment in lieu of taxes (PILT), based on the Municipal Occupancy Ratio.

NEW ENTRANTS GUIDELINES (NEG)

Guidelines governing the eligibility for new entrants to municipal RCMP police service agreements have been in place since 1981 and were last modified in 1991. Guidelines for regional policing agreements were created in 1994 and last modified in 1999. Conditions have always entailed new entrants being responsible for paying 100% of the cost of the RCMP police service.

The terms upon which the federal government is prepared to consider a new entrant's admissibility are:

- the municipality has a population of 5,000 or more, but less than 15,000;
- the municipality neither adjoins, nor is in regional or metropolitan association with, a municipality which has its own independent police service;
- the municipality is not involved, nor likely to become involved, in a labour dispute with its independent police service;
- the PT Minister makes the request for the municipality to be policed by a RCMP Municipal Police Service;
- the municipality assumes responsibility for all the obligations covered in the existing MPSAs or MPUAs; and
- the municipality, or the PT on its behalf, is responsible for the payment of all start-up costs for the installation of the RCMP Municipal Police Service and payment of ongoing costs of the RCMP Municipal Police Service at 100%.

With respect to the provision of RCMP policing to a regionalized grouping of communities, the terms upon which the federal government is prepared to consider their admissibility are aligned with the previous set of terms except that the regional policing authority will assume 100% of the cost of the RCMP Regional Police Service, regardless of population threshold, and of any areas having been previously policed by the RCMP.

Prior to the 2012 Agreements, there were two new entrant agreements: Sackville and Codiac Regional (comprising Moncton, Dieppe and Riverview), both in New Brunswick. As they were both policed by the RCMP on March 31, 2012, under the 2012 Agreements they were no longer deemed new entrants and were therefore eligible to receive the applicable municipal cost-share ratio. As of April 1, 2012, there are no new entrants under MPSAs or MPUAs.

ARTICLE 11: BASIS OF CALCULATION OF PAYMENT

PURPOSE

Article 11 describes the costs covered under the Agreements, how the costs are determined and who is responsible for payment.

BACKGROUND

The specific details of Article 11 vary slightly between the PT agreements and the municipal agreements.

The costs incurred directly by the RCMP in each jurisdiction are not necessarily comparable to an independent municipal police service, nor do they reflect the total cost of providing each jurisdiction with a police service. Some costs incurred by the RCMP may not exist within an independent municipal police service (e.g., inter-divisional transfers), as well costs incurred centrally by the RCMP or Canada (e.g., Accounting Operations, Shared Services Canada) may be applicable to each jurisdiction.

Some notable changes in the 2012 Agreements in comparison to the 1992 Agreements include:

- RCMP Programs (Recruiting, Cadet Training Program at Depot and the Police Dog Services Training Centre) move from a static rate of \$3,500 (for all three programs) per FTE Utilization of Members to a three-year rolling average of actual costs based on the previous three Fiscal Years effective Fiscal Year 2015-16.
- The cost of the Police Reporting and Occurrence System (PROS) is to be updated on an annual basis, based on the final costs of the previous Fiscal Year. PROS is also the only cost which is to be allocated to the PTs based on FTE Utilization of Members for the *previous* Fiscal Year.¹⁸
- The cost incurred by Canada for the Corps of Commissionaires to provide point of entry security at divisional/regional headquarters has been added to the cost base.
- The dollar threshold for PTs to amortize Equipment increased from \$100,000 to \$150,000. Amortization is now based on the estimated life of the equipment and the federal Consolidated Revenue Fund lending rate at the time of acquisition.

¹⁸ PROS is not used in British Columbia; instead PRIME is used and it has its own charging methodology (see below).

- The cost base includes costs for both Legal Services (previously excluded from the cost base) and Enhanced Reporting and Accountability (new provision in 2012 Agreements).
- The costs incurred by Canada for the External Review Committee and the Staff Relations Representative Program (and any successors) are excluded from the cost base.

Cost Base

The term cost base is used extensively throughout this section of the Companion Document. The cost base refers to the various costs, or the totality of the costs, which are cost-shared between Canada and the PTs.

Costs in the cost base are separated into two major categories.

1. *Direct Costs* – are expenditures associated with the RCMP personnel (Members and public service employees (PSEs)) employed in each jurisdiction. Direct costs include Salary, overtime, training, travel, and locally purchased equipment such as computers and vehicles, etc. It is important to note that not all costs incurred locally are included in the cost base. There are three broad categories of direct costs:
 - a. *Billable Costs* – these costs are incurred locally and are directly billable to each PT. Examples of items in this category include: Salary, local training costs and equipment purchased for use in the Service.
 - b. *Non-Billable Costs* – these costs are incurred locally but are deemed a federal responsibility and are not applicable to the cost base. Some costs are non-billable because Canada, not the PT, is responsible for the internal management and control of the RCMP, so the PT should not, for example, be responsible for civil lawsuits resulting from internal management decisions. Another principle is that the PT would not incur certain costs if they had their own independent police service. An example of these costs is interdivisional transfers – when the RCMP transfers personnel from one PT to another.
 - c. *Billable Costs in Division Administration* – some costs are incurred locally and while they are considered applicable under the cost base, they form part of divisional or regional administration rate that is included as Other Costs. These costs are shared based on the formula outlined in the Agreement. Examples include health costs and maternity leave.
2. *Other Costs* – these costs are not necessarily incurred locally, but are included in the cost base. In most cases, these costs are incurred by the RCMP at the divisional or regional level, but may also include costs associated to consolidated services (e.g., Shared Services Canada, National Accounting Operations) incurred by the RCMP nationally or by other federal government departments. These other

costs include items such as employee benefit plans (the employer's share of superannuation, Canada Pension Plan and Employment Insurance), shared administration costs (referred to as divisional or regional administration), and RCMP Program costs (Recruiting, Cadet Training Program at Depot and the Police Dog Services Training Centre).

Cost-Share Ratios

Depending on the contract type and population of the jurisdiction, the cost-share ratio varies.

Table 6: Cost-Share Ratios

Contract Type	PTM's Share	Canada's Share
Provincial / Territorial	70%	30%
Municipal: Population 5,000 – 14,999	70%	30%
Municipal: Population 15,000 or more	90%	10%

INTERPRETATION

OPERATING AND MAINTENANCE COSTS – 11.2 (a)

The cost of providing and maintaining the Service each Fiscal Year includes operating and maintenance costs such as Salaries and wages, transportation and telecommunication, information, professional services, rentals, repairs, utilities and supplies and miscellaneous operational expenses described in the RCMP Chart of Accounts. The Chart of Accounts is updated annually prior to the beginning of a new Fiscal Year but in-year changes can be made if required.

Administration related to operating and maintenance costs

In accordance with Article 18, the CO will provide a current version of the Chart of Accounts annually to the PT Minister.

Any changes to the Chart of Accounts and their impact on any RCMP Standard Tables¹⁹ are brought to the attention of CMC.²⁰

EQUIPMENT – 11.2 (b) AND 11.2 (l)

There are two categories of Equipment defined under Article 1: Type A and Type B.

Equipment-Type A refers to one-time or extraordinary acquisitions such as specialized motor vehicles, ships and other water craft, aircraft of any kind, identification systems, telecommunication and other communication systems, including radio towers and related assets affixed to real property.

Equipment-Type B refers to annual or recurring acquisitions such as regular police cruisers, radio and computer equipment, security and investigational equipment and technology or licensing fees. Articles 14 and 15 should be consulted for further information on Equipment.

All Equipment costs are direct costs included in the cost base, unless the cost is \$150,000 or more and the PT Minister has requested that the cost be amortized in accordance with Article 11. The option to amortize this Equipment may assist some PTs who may find it difficult to pay for large capital expenditures in one year.

A PT may choose to amortize Equipment if all these criteria are met:

- the item is classified as Equipment-Type A;
- the cost of the item is \$150,000 or more;
- the amortization period is not longer than the estimated life of the Equipment; and
- the PT Minister requests it be amortized.

There may be circumstances where individual items under \$150,000 are eligible for amortization. This would only occur when smaller items are being grouped and considered part of a much larger project, such as the replacement of a provincial radio system where individual radios could be considered as part of the larger radio replacement project and subject to amortization.

Administration related to Equipment

The annual amortization cost is determined by dividing the cost of the acquisition by the estimated life of the equipment (or a shorter period if specified by the PT Minister), until the Equipment is paid in full. In addition, interest is included annually at a rate equal to

¹⁹ RCMP Standard Tables were created to ensure consistent application and allocation of costs. More information on Standard Tables is found below.

²⁰ Any changes to the Chart of Accounts are reported and reviewed by the FCC Standing Committee of the CMC.

the federal Consolidated Revenue Fund lending rate at the time of acquisition and will be applied to the outstanding amount until the Equipment is paid in full. See Article 14 in the Companion Document for more information on Equipment.

PENSION CONTRIBUTIONS – 11.2 (c-e)

Costs associated with Superannuation and Canada Pension Plan for both Members and public service employees (PSEs) are included in the cost base (as Other Costs) and are cost-shared under the Agreement.

Superannuation

For contract policing billing purposes, the employer's contribution rate for Members' superannuation is based on the Pension Panel's recommendation. See the Pension Panel section of the Companion Document for more information on how pension contributions for Members are determined.

Contract parties also cost-share the employer's contribution to the federal PSE's pension. The rate is determined annually by RCMP National Headquarters based on actuarial reports produced by the Office of the Superintendent of Financial Institutions (OSFI) of Canada.

Canada Pension Plan

Contract parties also cost-share the employer's contributions made to the Canada Pension Plan for all employees (including Members and Support Staff, including those individuals performing guard duties for lock-ups under the Service).

Administration related to Pension Contributions

Superannuation

For both Members and PSEs, the employer's contribution amount is the applicable employer's contribution rate multiplied by the total pensionable earnings for each employee group.

The employee's pensionable earnings are determined using the RCMP Standard Table: Pensionable General Ledger Listing.

Canada Pension Plan (CPP)

For both Members and PSEs, the employer's share of CPP is charged under the Agreement as an Other Cost. CPP amounts are based on Yearly Maximum Pensionable Earnings (YMPE) which is set by the Canada Revenue Agency annually. The employer's share of CPP is charged based on the FTE utilization of all employees multiplied by the Fiscal Year rate.

As the published CPP rates published on the Canada Revenue Agency website are based on a calendar year the RCMP complete a calculation that converts the rate into a Fiscal Year rate.

At the beginning of the Fiscal Year, the RCMP completes the following calculation to determine the rate to be used when calculating the annual cost of CPP for both Members and PSEs.

Table 7: Canada Pension Plan Calculations for Members and Public Service Employees

Member / Public Service Employee - FY 2012/13 CPP Calculation					
Calendar Year	Maximum Pensionable Earnings	CRA Established Employee Rate	Fiscal Year Adjustment	Employer Contribution Rate	Sub-Total
2012	46,600	4.95%	75%	1	1,730.03
2013	47,600	4.95%	25%	1	589.05
					2,319.08
CPP Rate					\$ 2,319.08

EMPLOYMENT INSURANCE – 11.2 (f)

The costs associated with Employment Insurance (EI) are included in the cost base as Other Costs. EI premiums are based on, and deducted from, an employee's maximum insurable earnings. Insurable earnings include salary, wages, allowances and other remuneration paid to an employee. Both employees and employers must pay EI premiums. Each year, the Canada Revenue Agency determines the maximum insurable earnings amount and the EI rate. The RCMP then completes a calculation that converts the rate (based on calendar year) into a Fiscal Year rate.

The calculation for Member EI recovery rate is reduced due to the current sick leave benefits available to them. The current unlimited sick leave policy has an impact on the short-term disability plan available to Members and thus reduces the employer share of EI.

Administration related to EI

The EI costs are charged based on the FTE Utilization of each employee group multiplied by the determined EI rate.

Table 8: Employment Insurance Calculations for Members

Member - FY 2012/13 EI Calculation					
Calendar Year	Maximum Pensionable Earnings	CRA Established Employee Rate	Fiscal Year Adjustment	Employer Contribution Rate	Sub-Total
2012	45,900	1.83%	75%	1.185	746.52
2013	47,400	1.88%	25%	1.201	267.56
					1,014.08
Member EI Rate					\$ 1,014.08

Table 9: Employment Insurance Calculations for Public Service Employees

Public Service Employee - FY 2012/13 EI Calculation				
Calendar Year	Maximum Pensionable Earnings	Employer Contribution Rate	Fiscal Year Adjustment	Sub-Total
2012	45,900	2.56%	75%	881.97
2013	47,400	2.63%	25%	311.89
				1,193.86
Public Service Employee EI Rate				\$ 1,193.86

DIVISIONAL AND REGIONAL ADMINISTRATION – 11.2 (g)

General Background

Administration in this context refers to the common support services provided to multiple business lines of the RCMP (federal, provincial, territorial, municipal and First Nations). These support services may include financial services, planning, client services, human resources, informatics and management services. Administration costs include personnel and O&M, including employer paid benefit plans (pensions and employment insurance) for administration employees.

The divisional and regional administration allocation methodology is used to share costs among all business lines in a Division or Region, such as health services costs for all employees including non-divisional administration staff. The costs of Members on maternity leave and other special leaves are included as well. The allocation of

administration costs ensures an equitable sharing of all RCMP administrative costs between the various business lines of the RCMP.

The administrative functions in the RCMP consist of three levels: divisional, regional and departmental.

Divisional Administration

- This refers to administrative services provided by divisional administration staff to all business lines in the Division. Services may include: informatics, compensation, staffing, training, client services, property management (asset management) and fleet management, Division management.

Regional Administration

- This refers to centralized administrative services provided to all business lines in the Region. Services may include accounts payable/receivable, procurement, contracting services, finance, audit, strategic planning and analysis, human resource management. In some cases there may be administrative staff performing the same functions at the divisional level.

Departmental Administration

- This refers to administrative services provided at the national level and/or services provided at the local level but considered non-billable.
- Paid 100% by the federal government.
- Administrative services a PT would not necessarily incur if it had its own police service (e.g., Staff Relations Representative Program, Official Language Unit).

Notwithstanding the three standard administration function levels described above, the following two categories are also included as part of the divisional administration calculations:

1. National Consolidations – Units which would have previously been provided locally via divisional administration but have since been consolidated into national Units. Some examples include Accounting Operations and Relocation Reviewers and Regular Member Compensation.
2. Custody Transfer – PWGSC has custodial responsibility for many RCMP buildings. Applicable costs incurred by PWGSC on behalf of the RCMP are passed along as part of divisional administration costs. Costs are shared between business lines in the same manner as if the RCMP had custodial control of the building.

Administration related to divisional/regional administration

The following factors are considered when determining the inclusion or exclusion of costs in divisional/regional/departmental administration:

Is it a reasonable billable policing cost?

Reasonable policing costs are defined as expenses a PT may incur if it had an independent police service. Reasonable policing costs are to be included in regional/divisional administration.

Expenses that a PT may not incur if it had an independent police service (e.g., Official Language translations) are to be included in departmental administration.

Is the expense a result of an administrative support function performed in support of multiple policing activities within the Region or Division?

Only those expenses incurred in support of multiple activities are included in regional/divisional administration. Examples include some finance and human resource functions. If a function or activity is supporting only one (or a few) business lines directly, without any benefit to the overall Region/Division, it should be charged as a direct cost to those business lines.

Standard Tables

CMC endorsed a set of standard financial tables used in the calculation of the cost base. These tables contain the standards needed to complete the calculation of actual costs and are used by the RCMP to ensure consistency in the application of the cost base across all jurisdictions.

These tables are maintained by the RCMP and updated on an annual basis. After consultation and agreement, CMC will endorse any changes to the tables on an annual basis.²¹ The tables are:

- **Cost Allocation Matrix** – based on cost elements or a specific cost item, this table provides direction on how certain costs are to be treated (e.g., billable vs non-billable) in the calculations. Proposed changes to the Cost Allocation Matrix will follow the Finance and Cost Containment Standing Committee process outlined in Appendix A: CMC Rules of Engagement Standard Operating Procedure found at the end of Article 21 CoDo pg. 232-242.
- **FTE Matrix for Costs** – based on category of employee, this list outlines the base of employees to be used as the denominator and charge out factor for each rate specified in the Agreements.
- **Other Costs Matrix** – based on the various types of policing services within contract policing, this table outlines which costs are applicable to each service type.

²¹ Each Fiscal Year, the FCC will be consulted on any changes to the tables, prior to endorsement by CMC.

- **Pensionable General Ledger Listing** – based on cost elements, this table outlines which General Ledger accounts should be included in the calculation of superannuation, CPP and EI.
- **Non Chargeable General Ledger Listing** – based on cost elements, this table outlines which General Ledger accounts should be excluded from the cost base or included in the divisional administration calculation. This table also identifies the differences by type of policing service.
- **Refunds and Reimbursements** – based on revenue general ledger accounts, this table identifies which cost items are to be included as credits to contract parties
- **Municipal Under Non Pooled Costs [applicable only to Municipalities under 15,000 population with MPSAs or MPUAs]** – based on cost elements, this table outlines which costs should not be included in the Municipal Under pooled per FTE rate established in each Division. This table also outlines whether the costs should be charged at 70% or 100% to the Municipality:
 - In each province, the majority of costs for Municipalities below 15,000 population with MPSAs or MPUAs are pooled together and divided over the total FTE utilization of Members in the respective Municipal Under police services. This allows all of these smaller Municipalities to share in the peaks and valleys of policing costs (i.e., replacement of police vehicles) and each pay an average per FTE cost based on their collective expenditures. However, certain costs like overtime are considered jurisdiction specific and are not shared with other Municipalities. As well, any costs which Municipalities provide at no cost to Canada (i.e., accommodations and support staff) are also not shared with other Municipalities.

Allocation of divisional and regional administration costs

The final costs for divisional and regional administration are allocated based on the FTE Utilization of Members for each business line in the Division or Region. The resulting per capita rate is then charged at the cost-share to each contract party based on its average FTE utilization of Members for the current Fiscal Year.

Costs charged to divisional and regional administration

The following costs are shared by all business lines and are consequently charged to divisional or regional administration:

- shared administrative services;
- Special Leave, such as: medical; maternity; paternity; graduated return to work; and pregnant Member working;

- 11.4 a) sick leave or suspended costs will be allocated to divisional/regional administration after 30 days;
- 11.4 b) and c) parental leave and pension retirement leave costs will be allocated to divisional/regional administration immediately;
- pay in lieu of leave;
- Health Services including supplemental and occupational health only for regular members, civilian members, PSEs and special constables; and the costs of the Health Services Offices/Administration Unit. The costs for applicant medical costs are included as part of the Recruiting rate;
- Earned Retirement Benefit (ERB) – This is a benefit that was paid to each RCMP Member upon departure from the RCMP, based on their years of service. The federal government ended the accumulation of this benefit by Members as of April 1, 2012. Members engaged after that date are not eligible for this benefit. Amounts earned by Members prior to April 1, 2012, remain billable to contract jurisdictions. The terms for cost-sharing the earned amounts are under discussion among provincial, territorial and federal governments. This section will be amended once payment terms are agreed upon.

Divisional administration costs are calculated as follows:

1. Determine the actual cost to the Division for divisional administration by totaling all applicable costs.
2. Determine the FTE Utilization of all Members for all business lines in the Division.
3. Subtract the FTE Utilization of all Members captured in divisional administration functions and on Special Leave.
4. Divide the actual cost to the Division (#1) by the net FTE Utilization determined in #3.
5. Multiply the product of #4 by the FTE Utilization of all Members in the Service.

This results in the total cost of divisional administration to the PT.

Regional administration costs are similarly calculated as follows:

1. Determine the actual cost to the Region for regional administration by totaling all applicable costs.
2. Determine the FTE Utilization for all Members for all business lines in the Region.
3. Subtract the FTE Utilization of all Members captured in regional administration functions and on Special Leave.
4. Divide the actual cost to the Region (#1) by the net FTE Utilization determined in #3.

5. Multiply the product of #4 by the FTE Utilization of all Members in the Service.

The per FTE regional administration amount is added to each divisional administration rate within the Region. The two per capita rates for divisional administration and regional administration (if applicable) are added together to form the divisional administration rate reported to the contract jurisdictions.

RCMP PROGRAMS²² – 11.2 (h-i)

Recruiting, Cadet Training at Depot and the Police Dog Service Training Centre

Under the 1992 Agreement, a flat rate of \$3,500 was applicable to Members and temporary civilian employees (TCEs). The flat rate was established for ease of administration, but did not adjust relative to the fluctuation of actual costs.

For the period beginning April 1, 2012 and ending March 31, 2015, the charge for Recruiting, the Cadet Training Program at Depot (Regina, Saskatchewan) and the Police Dog Service Training Centre (PDSTC) (Innisfail, Alberta) will be based on the FTE Utilization of Members in the contract jurisdiction multiplied by \$3,500.

Starting April 1, 2015, and for the remainder of the term of the Agreements, the costs for these three programs will be determined by way of a rolling three-year average based on actual costs expended on each program in the previous three Fiscal Years.

Since Recruiting and the Cadet Training Program at Depot are National Programs these costs will be distributed across all federal, provincial, territorial, First Nations, municipal and airport business lines in Canada. While the PDSTC is also a National Program, its costs are shared based on the FTE Utilization of all police dog service teams in the RCMP.

Pursuant to Article 21, the RCMP will deliver Multi-Year Financial Plans to CMC every September 15. CMC will indicate its support (or not) for those plans by December 15. Article 21 of the Agreement and Companion Document should be consulted for further information about the National Programs Multi-Year Financial Plans.

Administration related to National Programs

Recruiting – 11.2 (h), (i(i))

Beginning April 1, 2015, the charge for Recruiting will be determined by dividing the average of all expenditures for recruiting in the previous three Fiscal Years by the average FTE Utilization of all Members in the RCMP for the previous three Fiscal Years multiplied by the current FTE Utilization of Members in the Service.

²² The Agreements refer to these as RCMP Programs, but they are commonly referred to as National Programs by the contract parties.

The charge for Recruiting includes divisional, regional and national recruitment related costs such as: Salaries and travel of recruiters, office supplies and equipment, and advertising and marketing. It also includes: the processing of applicants; applicant travel; career presentations; written examinations; physical, medical and psychological testing; interviews; polygraph tests; field investigations; and security clearances.

The charge for Recruiting does not include the major capital investments required to construct, Renovate or acquire buildings to accommodate the program delivery personnel.

Cadet Training Program at Depot – 11.2 (h), (i(ii))

Beginning April 1, 2015, the charge for the Cadet Training Program at Depot will be determined by dividing the average of all expenditures for cadet training for the previous three Fiscal Years, minus the average of any revenues received for training other police services or other agencies in the previous three Fiscal Years, by the average FTE Utilization of all Members in the RCMP for the previous three Fiscal Years, multiplied by the current FTE Utilization of Members in the Service.

The cost of the Cadet Training Program includes things such as: the cadet allowance; clothing and operational equipment; travel to Depot; trainer relocation to Depot; and relocation of the cadet to their first posting. It also includes Salaries, relocation expenses, office supplies and equipment for training support and Depot administration. Facilities' operating and maintenance costs for equipment, vehicles, professional and contract services, utilities and minor capital are billable costs.

The cost of the Cadet Training Program at Depot does not include the major capital expenditures required to construct, Renovate or acquire buildings, or the operating and maintenance expenses for buildings at Depot not used for cadet training (e.g., RCMP Heritage Centre).

Police Dog Service Training Centre – 11.2 (h), (i(iii))

Beginning April 1, 2015, the charge for the PDSTC will be determined by dividing the average of all expenditures for the PDSTC for the previous three Fiscal Years, minus the average of any revenues received for the sale of dogs or dog training provided to other agencies for the previous three Fiscal Years, by the average FTE Utilization of all police dog teams in the RCMP for the previous three Fiscal Years multiplied by the current FTE Utilization of police dog teams in the Service.

The cost for the PDSTC includes things such as kennel operations, equipment and professional services for dog breeding (i.e., veterinary services). It also includes training operations, Salaries and travel for trainers in the Dog Team Training Program as well as those costs related to re-certifications. Administration costs such as Salaries, O&M, relocation to the PDSTC, office supplies and equipment for the PDSTC, as well

as facilities' O&M costs including maintenance of equipment, vehicles, utilities, minor capital and contractual services are billable costs.

The cost of the PDSTC does not include the major capital expenditures required to construct, Renovate or acquire buildings.

RECORDS MANAGEMENT SYSTEM (PRIME/PROS) – 11.2 (j)

The PTs are responsible for the Service's share of costs for information and operational records management systems (O/RMS).

Administration related to PRIME and PROS

PRIME

In British Columbia (BC), the O/RMS system is known as PRIME-BC. PRIME-BC is operated by PRIMECORP (Police Records Information Management Environment Incorporated).

Costs are allocated based on a flat rate, charged per Member/police officer based on the authorized strength of the police service (RCMP Service or independent police service), as reported in *Police Resources in British Columbia*. The British Columbia Ministry of Justice produces this publication annually.

PROS

In all contract jurisdictions except British Columbia, the O/RMS system is known as the Police Reporting and Occurrence System (PROS).

The cost of PROS is calculated by dividing the costs to Canada of maintaining and providing PROS for the previous Fiscal Year (as determined in accordance with Annex "H") by "the denominator" and multiplying that result by the FTE Utilization of Members in the Service for the previous Fiscal Year.

The denominator is determined by the following calculation:

1. Determining the FTE Utilizations of Members for the RCMP for the previous Fiscal Year.
2. Less the FTE Utilization of Members in Internal Services positions during that same Fiscal Year (non-PROS users).
3. Less the FTE Utilization of Members in E Division and Halifax District Detachment for the previous Fiscal Year (non-PROS users).
4. Adding the actual count of Members in E Division with access to or use of PROS for the previous Fiscal Year.

5. Adding the count of the actual strength of sworn police officers of police partner agencies, other than the RCMP, who used PROS in the previous Fiscal Year as reported annually by Statistics Canada.

POINT OF ENTRY SECURITY – 11.2 (k)

The Corps of Commissionaires have a contract with the federal government to provide points of entry (POE) security at federal government buildings including divisional/regional headquarters. The costs associated with the Corps of Commissionaires providing these services are allocated to contract jurisdictions relative to their share of the total occupancy of the building. The cost includes all of the costs for supplying the service (salary, benefits and uniforms, etc.).

Administration related to Point of Entry Security

Occupancy may be determined using the number of established positions in each particular building assigned to each business line (federal, regional/divisional administration, provincial, municipal and First Nations) in a particular building or by an alternate method agreed upon by the contract parties. The positions included in this calculation include Members, federal PSEs, municipal employees and any other non-RCMP employees.

COMMISSION FOR PUBLIC COMPLAINTS AGAINST THE RCMP (CPC) – 11.2 (m)

The CPC²³ is an independent agency that ensures that public complaints made about the conduct of Members are examined fairly and impartially. The CPC is not part of the RCMP. The CPC reports findings and makes recommendations to the RCMP Commissioner regarding public complaints made against the RCMP.

The CPC provides civilian oversight to the entire RCMP. Consequently, the cost is distributed based on the FTE Utilization of Members in all business lines across Canada.

Administration related to the CPC

The charge for the CPC to a specific business line is calculated by dividing the cost to Canada to maintain and provide the CPC by the total FTE Utilization of all Members and multiplying the product by the total FTE Utilization of Members in the Service. All figures are derived from the current Fiscal Year.

²³ Under the *Enhancing Royal Canadian Mounted Police Accountability Act*, a new Civilian Review and Complaints Commission for the RCMP (CRCC) will replace the Commission for Public Complaints Against the RCMP (CPC).

The cost of the CPC is published every year in the CPC's annual report to Parliament.

LEGAL ADVISORY SERVICES – 11.2 (n)

Legal costs have historically been excluded from the cost base. However, as part of the 2012 Agreements, a defined amount towards the costs of legal advisory services in direct support of the Service has been added to the cost base. Costs excluded from the cost base are:

- the cost of any civil action, compensation claim, *ex gratia* payment or claims for associated legal fees;
- the cost of legal advisory services related to disagreements about the Agreement; and
- costs excluded under the Indemnity Clause, as stipulated in subarticle 11.8.

Administration related to Legal Advisory Services

All contract jurisdictions will contribute a proportionate share of a “base amount” which was established for the Fiscal Year beginning April 1, 2012, at \$2 million. This amount will be adjusted each Fiscal Year to reflect any changes to the national Consumer Price Index (CPI) as determined by Statistics Canada in the previous year.

The rate is calculated by dividing the base amount by the FTE Utilization of Members in contract policing (PTM only) across Canada and multiplying the product by the FTE Utilization of Members in the Service.

Currently, Statistics Canada publishes the CPI in Table 6 found at:

<http://www.statcan.gc.ca/pub/62-001-x/2013006/t074-eng.htm>

On an annual basis, the Legal Services rate will be adjusted based on the percentage change in CPI from the previous Fiscal Year. November 2011 will be considered the starting point for Fiscal Year 2012-13. The adjustment for Fiscal Year 2013-14 will be based on the November 2012 CPI, and so on.

ENHANCED REPORTING AND ACCOUNTABILITY – 11.2 (o)

Charges for an enhanced reporting and accountability capacity have been introduced to the 2012 Agreements because of the Agreement's emphasis on the RCMP's increased accountability to the contract parties and the general public.

A base amount of \$1.5 million is prorated to all contract policing jurisdictions for the development and implementation of enhanced reporting and accountability, for a minimum of three years.

Each year, the RCMP will provide annual statements to CMC on the number, location, activities and position of the staff assigned to provide and maintain enhanced reporting

and accountability. The contract parties will work together to avoid a duplication of existing capacity within the Service and to explore ways in which to better utilize the existing capacity to provide improved administration of the Agreement.

The resources dedicated to increased capacity may only be increased by mutual agreement between the contract parties. If an increase is agreed to, the contract parties will revise the base amount in writing.

Administration related to Enhanced Reporting and Accountability

The rate for enhanced reporting and accountability is calculated by dividing the base cost of \$1.5 million by the total FTE Utilization of Members in contract policing (PTM only) across the country and multiplying the product by the FTE Utilization of the Service.

By March 31, 2015, CMC will assess whether or not the enhanced reporting and accountability capacity meets the needs of CMC, and whether any adjustments are required. CMC will also determine the cost implications of any recommended changes, and determine the next review period, as required. There is no indexation to the base amount in the Agreement and any adjustment to the base amount agreed to jointly by the contract parties will be reflected in the Companion Document.

COSTS EXCLUDED FROM THE COST BASE – 11.3 AND 11.4

The following items are not cost-shared by the contract parties. The costs are excluded from the Agreement (Canada pays 100%):

- interdivisional transfers of personnel or equipment, other than trainers who are relocated to Depot (this cost is captured as part of the Cadet Training Program at Depot rate);
- the cost of Equipment–Type A which is \$150,000 or more and has been amortized subject to paragraph 11.2(1) at the request of the PT Minister;²⁴
- the cost of any civil action, compensation claim, *ex gratia* payment or claim for associated legal fees; and
- the cost incurred by Canada in respect of providing point of entry security for federal buildings other than divisional or regional headquarters.

In addition, costs related to Members on special leaves such as sick leave or suspension for more than 30 days, parental leave or pension retirement leave are not

²⁴ Costs for Equipment-Type A costing \$150,000 or more is listed both as an exclusion from and an inclusion in the cost base. This is because the federal government pays for Equipment up front (excludes it from the cost base) and then the contract jurisdiction will pay back 70% of the cost of the Equipment under an amortization schedule (includes it in the cost base).

directly billable to the Service. However, these costs are allocated to divisional administration and will be charged to the contract jurisdictions through the divisional administration rate.

DEDUCTIONS – 11.5

The RCMP will deduct 70% of the following credits, refunds or reimbursements from the amount owed for the provision of contract policing in the contract jurisdictions:

- any refunds or reimbursements obtained by Canada with respect to any expenses that were paid by the PT;
- the revenue received by Canada from leased accommodations and Living Quarters deductions from Members utilized by Canada to provide and maintain the Service;
- any amount received by Canada from a Municipality in respect of accommodations also paid for by the PT; and
- any amount received by Canada from the sale, transfer out of the Service or other disposition of any item of Equipment that cost less than \$150,000 and was purchased by Canada for use in the Service.²⁵

COSTS PAID AT 100% BY CANADA – 11.6

Canada is responsible for paying 100% of all costs incurred in respect of the External Review Committee and the Staff Relations Representative Program, or their respective successors.

COSTS PAID AT 100% BY PROVINCES AND TERRITORIES – 11.7

The PTs are responsible for 100% of the following costs:

- hospitalization, medical examination or treatment, including mental health examination or treatment, for any person in the custody of the RCMP except if such costs have been incurred in the obtaining of evidence;
- conveyance by a third party that is obtained by a Member of the Service for a disabled, injured, ill or deceased person if the cost of the service is not paid by or on behalf of the person or their estate; and
- all incremental costs incurred when, at the request of the PT, the scope and duration of a search and rescue operation is extended beyond that which the CO considers to be appropriate in the circumstances and the CO has so advised the PT Minister.

²⁵ For Equipment-Type A costing \$150,000 or more, see Article 14.

Witness Fees for the Provinces

The **provinces only** are responsible for 100% of the cost of witness fees, transportation, maintenance and escort costs for persons (except for Members and Support Staff) required as witnesses in criminal and civil proceedings and proceedings under provincial laws.

Witness Fees for the Territories

The **territories only** are responsible for 100% of the cost of witness fees, transportation, maintenance and escort costs of persons (except for Members and Support Staff) required as witnesses in civil proceedings commenced pursuant to an Act, or a Regulation of the Legislative Assembly of the Territory.

Unlike the provinces, the prosecution of *Criminal Code* offences has not been devolved to the three territories and therefore remains the responsibility of the federal government and is carried out by the Prosecution Service of Canada.

Therefore unlike the provinces, the Agreement indicates that the Territorial Police Services will not incur witness fees related to criminal proceedings; the transportation, maintenance and escorting of persons, other than Members and Support Staff, required as witnesses in criminal proceedings are not part of the duties or services to be provided by the Territorial Police Service.

NORTHERN MITIGATION PROVISION FOR THE TERRITORIES - 11.5

The three territories have a special provision in their Agreements for Northern Mitigation. This section of Article 11 was created specifically to mitigate the large financial impact the change in the accommodations program would have on the North. As the costs of construction in northern parts of Canada are significantly higher than other parts of the country, this section provides a credit to the territories to compensate them and reduce the impact.

A formula was developed that took into consideration the actual expenditures in the 2012 accommodations model less the 1992 accommodations base amount multiplied by the percentage difference at the time of the signing of the Agreement between construction costs in the North compared to construction costs in the south or 34%.

Canada will deduct from the amount owed for the provision of the Service in the **territories only** an amount equal to the lesser of A or B where:

- B is equal to \$XXX (varies by Agreement); and
- A is equal to 34% of the total of C minus D where:
 - C is equal to the costs paid by Canada in that Fiscal Year to maintain, Renovate, replace or increase the number of Buildings and Living Quarters in accordance

with the Divisional Plans for Major Capital, Minor Capital and Living Quarters; and

- D is an amount to be calculated by multiplying the square meters of gross space used by the Service as of April 1 of that Fiscal Year by the rate of \$107.64 per square meter.

Gross space does not include space for which the Service pays rent, Living Quarters, any buildings the RCMP occupies for purposes not related to the Service and those parts of divisional headquarters administration buildings that are not occupied by the Service (determined on a proportional basis relative to the total occupancy of the buildings).

These deductions are for the period starting April 1, 2012 and ending when Canada consults with the territories and confirms in writing that the costs related to accommodations (Article 12) have been addressed as part of an update to the Territorial Formula Financing payments. This clause is without prejudice to any discussions between Finance Canada and the territories regarding Territorial Formula Financing payments.

INDEMNITY – 11.8

The PT government is indemnified and is not held liable to settle any claim or action against a Member of the PT Police Service. This is in keeping with the principle that the Commissioner is responsible for the internal management of the RCMP.

PENSION PANEL – 11.9

Pension Contribution and Accounts are defined under Article 1. Pension contributions are included in the cost base.

The Pension Panel (the Panel) makes recommendations regarding the rate of employer's contributions billable by the RCMP to contract jurisdictions every three years (or as otherwise determined by the Panel) based on a review of the Accounts for the three Fiscal Years preceding the review date.

The Panel consists of three members. One member is appointed by Canada, one is appointed by the provinces and territories and the third member is appointed by the first two Panel members. The third member, appointed by the other two, will be the chairperson.

The Panel will review and report on the rate of pension contributions by Canada under the *Royal Canadian Mounted Police Superannuation Act*, the *Special Retirement Arrangements Act* and the *Supplementary Retirement Benefits Act*.

The Panel establishes the amount of the pension contributions for PTs based on this review. The Panel will typically make a report every three years, or as otherwise

determined by the Panel based on the availability of the Report of the Office of the Superintendent of Financial Institutions (OSFI). The first report will be for the period starting April 1, 2014.

The Panel's determination of the rate will be based on both a prospective and retrospective review of information. All reports will be prepared based on the following practices and principles:

- For retrospective reviews, the Panel will follow generally accepted accounting and actuarial principles;
- For prospective reviews, the Panel will use the assumptions and the database of the Report of the Office of the Superintendent of Financial Institutions;
- For all deliberations, the Panel will assume that Canada will make contributions based on the Panel report;
- For each report under these Agreements, the surplus/deficit values from the most recent Panel report will be used to set the corresponding opening values of the next report;
- The surplus/deficit values used to set the Pension Contribution rate will reflect the historical practice of the Panel determining a split between 'shareable' and 'non-shareable' surplus/deficit values;
- Any 'shareable' surpluses or deficits in the Accounts will be amortized by the Panel's calculations using generally accepted accounting and amortization principles. The Panel will determine the amortization period, which may extend beyond the term of the Agreements;
- Upon termination of the Agreements, unless the contract parties otherwise agree, the Panel will make recommendations on how to settle the final contributions to be paid by the PT or reimbursements to be paid by Canada for Pension Contributions; and
- The Accounts are treated as a single account when making decisions that may affect the contract parties.

Administration related to the Pension Panel

The Panel does not set the rate that Members or the federal government contribute to the RCMP Pension Plan, which is set by federal legislation. Rather, the Panel determines the appropriate percentage at which the RCMP will bill contract jurisdictions for their share of the employer's contribution.

The following process and timelines are applicable to the Panel:

- The relevant OSFI Actuarial Report required to inform the work of the Panel is published well in advance of the effective date of the next rate. For example, for the rate commencing April 1, 2014, the OSFI Actuarial Report was tabled before Parliament on May 28, 2012.
- Once the Actuarial Report is available, the contract parties (one for Canada and one for the PTs) can commence the contracting process for their respective consulting actuaries. Continuing with the previous example, the contracting process for the Panel members was completed during summer 2012.
- The Panel is asked to deliver its report well before the effective date of the new rate. As such, for the rate that came into force on April 1, 2014, the Pension Panel Report was completed in March 2013.

ADDITIONAL ADMINISTRATION INFORMATION

Coding of Expenditures in the RCMP

All costs incurred by the RCMP are subject to two main inputs of coding when financial transactions are processed: a cost centre (CC) and a cost element (CE). The CC helps identify the Unit responsible for the cost and the CE helps identify the type of cost incurred.

Unit Responsible – Cost Centre – The “Who”

All federal government departments must maintain and report their costs to Parliament based on an approved Program Alignment Architecture (PAA). The RCMP's PAA is organized primarily based on the program or type of policing. Within the current structure, contract policing is identified as a Sub-Program, with each type of contract policing identified as a Sub-Sub-Program.

Program	1	Police Operations
Sub-Program	1.1	Contract Policing
Sub-Sub-Program	1.1.1	Provincial / Territorial Policing
Sub-Sub-Program	1.1.2	Municipal Policing
Sub-Sub-Program	1.1.3	Aboriginal Policing
Sub-Sub-Program	1.1.4	Airport Protective Policing

Each CC in the RCMP represents a specific Unit or section and is mapped down to the Sub-Sub-Program level.

Type of Cost – Cost Element – The “What”

The RCMP maintains a Chart of Accounts which has three levels of expenditure coding or grouping of information. All of this information is driven by the CE, with the two higher level groupings simply summarizing the details contained at the lower levels. A copy of the RCMP Chart of Accounts will be provided to CMC each Fiscal Year.

Highest Level	Standard Object (SO)	SO 01 – Personnel
Medium Level	Cost Element Group (CEG)	CEG 030 – Pay – Members
Lowest Level	Cost Element (CE)	CE 110 – Regular Time

ARTICLE 12: ACCOMMODATIONS PROGRAM – BC, MB, NB, NL, NT, NU, PE, YK VERSION

Under the 2012 Agreements, there are two different accommodations models and therefore two versions of Article 12 in the Companion Document. This version is for British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island, and Yukon. The second version, which follows this section of the Companion Document, is for Alberta, Nova Scotia and Saskatchewan.

PURPOSE

Article 12 describes the processes for sharing the costs of federally-owned accommodations used to support the PT Service. The purpose of the Article is to outline how these accommodations will be planned, budgeted, managed, reconciled and reported over the course of the Agreement with specific attention to the resulting Accommodations Program Charge (APC) and to the setting of five-year plans and budgets. The Article also sets out a high level process for operating and maintenance (O&M) plans for both federally-owned and federally-leased buildings.

BACKGROUND

As a result of the mutual desire of the contract parties to ensure the sustainability of federally-owned accommodations used by the Service and to enhance the management of the accommodations portfolio, the accommodations provisions under the 2012 Agreements are significantly different than previous Agreements.

This Article was negotiated and agreed upon as a result of a common desire to enhance the management of capital associated with contract policing accommodations. Specifically, it was developed to increase focus on such principles as sustainability, affordability and flexibility. This Article replaces the rent-based model whereby \$107.64 per m² was charged for contract policing accommodations for which the RCMP did not pay rent.

This Article also introduces the concept and application of an APC which is based on five-year plans and budgets for Major Capital, Minor Capital and Living Quarters. The purpose of the APC is to normalize the required budgets over a five-year period in an effort to promote long-term real property planning and minimize budgetary ebbs and flows for federal and PT governments. Further, this Article introduces greater clarity on budgets dedicated to new construction, major renovations and on-going life-cycle investments. When compared to the 1992 Agreement, it provides for the construction,

major renovation and life-cycle requirements needs of living quarters while introducing a specific budget for life-cycle (minor capital) costs.

Finally, this Article introduces the means by which federal and PT governments will achieve a jointly-planned and flexible accommodations program, with a high emphasis on consultation, and cost-shared by the federal and PT governments (at 30% and 70%, respectively).

Under the 1992 Agreements, a rent-based model was employed, where PTs paid a flat/fixed rate of \$107.64 per square metre for space used by the Service in federally-owned buildings (excluding Living Quarters) for the duration of the Agreements. Under the 1992 Agreements, Canada was responsible for all construction costs, however during the life of the Agreements, the contract parties agreed that PTs would pay for minor repairs costing up to \$30,000 for accommodations and living quarters. Canada paid the construction and/or acquisition costs for federally-owned living quarters. For non-federally owned accommodations and living quarters, PTs paid a proportionate share of actual costs. Living quarters, where provided, were charged to Members based on federal Treasury Board Policy. The overall amount payable by PTs for living quarters was reduced by the amount of revenue received by Canada for leased accommodations and rent paid by Members for living quarters at 100%.

The desire by PTs for more control and input on the accommodations program and the resulting fenced funding model of the 2012 Agreements was to ensure that monies contributed by PTs were invested back in their own PT's jurisdiction.

The 2012 Agreements introduced the APC model. The foundation of this model is partnership and accountability where PTs have a formal role in joint planning and budgeting of the accommodations program. Under the APC, the projected plans and budgets for Major and Minor Capital for both accommodations and Living Quarters are determined for a five-year period, then divided by five to establish the annual contribution. This approach addresses the PT desire for long-term real property planning, minimizes budgetary changes from federal and PT governments, and fences PT contributions within their own jurisdiction.

Under the APC model, PTs are responsible for a proportionate share of the cost of capital construction and Minor Capital for all federally-owned accommodations and Living Quarters used to support the Service. The APC excludes O&M (for all accommodations, including federally-owned properties) as well as costs for leased accommodations (e.g., private, municipal, etc.) used by the Service.

YUKON'S PAY-AS-YOU-GO MODEL

Yukon has chosen to pay in-year actual expenses for capital construction as part of its Accommodations Program Charge, rather than averaging their costs over a five-year period.

This Pay-As-You-Go Model is specifically referenced in Article 12.2(c) in the Yukon Territorial Police Service Agreement which enables the Federal and PT Minister to replace or acquire, Buildings, and Living Quarters by way of a separate agreement between the contract parties.

As Yukon chose a Pay-As-You-Go Model, the reference to the specific five-year Accommodations Program Charge under section 12.1(n) is not included in Yukon's Agreement.

For the purposes of planning, the budgets and forecasts listed in the five-year plans for Divisional Major Capital and Living Quarters will serve as the agreed upon estimate for Yukon's APC as it relates to capital construction.

INTERPRETATION

GOVERNING PRINCIPLES

Subarticle 12.1

On the basis that the Province/Territory will in each Fiscal Year pay to Canada 70% of the total expenditures made by Canada to maintain Buildings, divisional or regional headquarter buildings and Living Quarters, and to Renovate, replace or increase the number of Buildings and Living Quarters, except those expenditures made in respect of acquiring land, the Parties agree as follows:

INTERPRETATION

The accommodations program is based on the premise that Canada is responsible for providing and maintaining the accommodations used to support the Service and the PT is responsible for paying 70% of the costs incurred by Canada for this purpose. This applies to federally-owned buildings, as well as those leased by Canada for use by the Service. The acquisition of land and the associated costs are 100% Canada's responsibility.

More specifically, Canada will maintain:

- any building, structure, improvement and other fixture on, above or below the surface of the land (i.e., Building);
- divisional or regional headquarters; and

- any dormitory, room in residence, apartment, house or other living space that is not part of a Detachment building (i.e., Living Quarters).

Canada will also Renovate, replace or increase the number of Buildings and Living Quarters used by the Service. Renovating or replacing divisional or regional headquarters will be dealt with under a separate agreement (see subarticle 12.2 and paragraph 8.2(b) for further information).

Paragraph 12.1(a)

There will be an accommodations program of works and it will be based on the following principles:

i) sustainability of the program;

INTERPRETATION

A sustainable accommodations program is one that supports operational requirements, while still meeting the short and long term stewardship obligations related to real property. Sustainability also refers to the life cycle management needs of the accommodations portfolios and the financial investment decisions required to support them.

ADMINISTRATION

Sustainability will be managed through the accommodations program review to be conducted by the RCMP in consultation with PT. Annually, the RCMP may provide the PT with any of the following documents to support sustainability:

- Variance Analysis – analysis of the progress and status of each accommodations program component (Major Capital, Minor Capital and Living Quarters) against the negotiated investment and the ongoing requirements identified in the Building Management Plans (BMPs);
- Age Analysis – analysis of the impact the negotiated investment on the average age of the Detachment portfolio; or
- Confirmation and/or amendment to the investment level based on the variance or age analysis noted above.

Based on the above analysis, the RCMP will provide recommendations to the CO, Corporate Management and the PT regarding the delivery of the accommodations program, any potential amendments to the investment level or transfer of funds in accordance with subarticle 12.1(o).

Paragraph 12.1(a)

ii) affordability of the program;

INTERPRETATION

An affordable program considers the most economical option as well as the financial means of the federal and PT governments while at the same time ensuring compliance with applicable legislation, policy and operational requirements.

Paragraph 12.1(a)

iii) accountability and transparency by institutionalizing the practices of joint planning, budgeting and regular reporting;

INTERPRETATION

Accountability and transparency will be achieved through joint planning, budgeting and regular reporting at the divisional and national levels.

ADMINISTRATION

Annual accommodations program updates will be provided to the PTs on a quarterly basis by the RCMP for the first three quarters of the Fiscal Year and monthly for the last quarter of the Fiscal Year.

Paragraph 12.1(a)

iv) ensuring monies paid by the Province/Territory under the Accommodations Program Charge can be reconciled to the accommodations program delivered in the Province/Territory; and

INTERPRETATION

All funding provided through the APC will be spent on Major Capital, Minor Capital and Living Quarters as jointly agreed to in the respective five-year plans. This will be confirmed by the administrative annual reconciliation and formal five-year reconciliation.

ADMINISTRATION

An administrative annual reconciliation report will be provided to the PT to provide an update on the accommodations program delivered for the investment made by the jurisdiction.

The formal five year reconciliation will be managed in accordance with the interpretations and administration identified in paragraphs 12.1(q), (r), (s) and (t).

Paragraph 12.1(a)

v) providing a flexible program that is responsive to the particular needs of the Province/Territory.

INTERPRETATION

A flexible program is one that can be modified or adapted to meet the needs of all parties. Flexibility can include, but is not limited to, in-year adjustments to the

accommodations program through fund transfers between accommodations program budgets or amendments to plan priorities.

ADMINISTRATION

Ongoing communication between COs, Corporate Management and the PT will inform decisions to apply “flexibility” and approve amendments to the accommodations program components. Any amendments that could potentially compromise other principles noted above will be scrutinized and challenged to the satisfaction of all parties.

Subarticle 12.1

b) Canada will maintain Buildings, divisional or regional headquarter buildings and Living Quarters in accordance with the Projected Five-Year Plans for Divisional Minor Capital, Divisional Living Quarters, and Divisional Operations and Maintenance and will Renovate, construct, replace or increase the number of Buildings and Living Quarters in accordance with the Projected Five-Year Plans for Divisional Major Capital and Divisional Living Quarters subject to stage and change order approvals as provided for in paragraph (p).

c) The Province/Territory will in each Fiscal Year pay to Canada 70 per cent of the total expenditures made by Canada in respect of the obligation described in paragraph (b) except those expenditures made by Canada in respect of acquiring land.

d) Canada, in carrying out its responsibilities under this article, will do so in accordance with applicable laws and in accordance with its own legislation, regulations, policies, practices, procedures, and directives of the Treasury Board of Canada.

e) Accommodations supplied by Canada for use by the Territorial Police Service will be of a standard that is necessary for the Service to carry out its responsibilities under this Agreement.

INTERPRETATION

All facilities will be maintained in accordance with applicable federal and jurisdictional policies and standards to ensure operational functionality is achieved. This includes capital investments identified in the accommodations program.

Canada will maintain, Renovate and construct or increase Buildings and Living Quarters used to support the Service. This includes increasing the number of Buildings and/or Living Quarters, if required. Subject to paragraph 8.1(a), the number and location of Detachments will be determined by agreement between the CO and PT Minister.

Canada is responsible for maintaining and supplying all federally-owned and federally-leased buildings used by the Service, to a standard necessary for the Service to carry out its responsibilities under the Agreement. This will be done in accordance with

applicable laws and Canada's own policies, regulations, practices, procedures, standards, and directives from the Treasury Board of Canada. PT legislation and standards will be included where applicable. Maintenance includes Buildings, divisional or regional headquarters buildings (see Note below) and Living Quarters. The work undertaken by Canada will be in accordance with the Projected Five-Year Accommodations Plans and Budgets.

Canada will also Renovate, construct or replace the number of Buildings or Living Quarters according to the Projected Five-Year Accommodations Plans. Canada will carry out these responsibilities ensuring that the consultations and approvals outlined in this Article occur at the appropriate times.

The PT is responsible for 70% of their proportionate share of the expenditures made by Canada, excluding the cost of acquiring land (which is 100% federal responsibility).

Note: As per subarticles 12.2 and 8.2(b), if a new divisional or regional headquarters buildings is required during the term of the Agreement (or an existing divisional or regional headquarters building requires Renovation), all financial terms and conditions of the project will be dealt with in a separate agreement. Alternatively, it may be agreed by the Federal and PT Ministers some or all of these costs be included in the Agreement through an adjustment to the Accommodations Program Charge. This requires the Agreement to be amended as per Article 25, and the costs to be tracked separately as a line-item.

ADMINISTRATION

The accommodations program components (Major Capital, Minor Capital, Living Quarters) will be developed based on the principles noted above, including ongoing consultation with Divisional and PT representatives. These will be communicated and finalized through the annual review process noted in 12.1 (iv)

THE PROJECTED FIVE-YEAR PLANS

Paragraph 12.1(f)

The Projected Five-Year Plans for Divisional Major Capital, Divisional Minor Capital, Divisional Living Quarters, and Divisional Operations and Maintenance for the Territorial Police Service are to be determined for each Fiscal Year between the Commissioner and the Provincial/Territorial Minister, and such plans will cover five Fiscal Years and will address:

ADMINISTRATION

Every five years, the Commissioner and the PT Minister will jointly identify the projects to be undertaken each year of the following five-year period for Major Capital, Minor Capital and Living Quarters. In practice at the present time, the size of the portfolio makes it impractical to set the plans for Minor Capital and Living Quarters for five year

periods. As such, the plans for Minor Capital and Living Quarters are jointly developed on a yearly basis between the parties.

These plans provide basic information about each planned project, including cost estimates. These estimates are based on the best information available at the time the plans are prepared.

Paragraph 12.1(f)

i) standards;

ii) designs, to the extent possible;

INTERPRETATION

The five-year plans are jointly developed between Canada and the PT and while the plans are primarily finance focused and do not include specifics related to the standards or designs for real property, the implementation of these plans addresses all standards associated legislation (e.g., National Building Code) and policy requirements (e.g., Treasury Board of Canada) as well as operational standards currently outlined in documents such as the RCMP Property Management Manual. The plans will also reflect standardized designs when available or where suitable to do so.

ADMINISTRATION

In accordance with the principle of accountability and transparency noted above and as part of the joint planning process, information pertaining to standards and designs will be shared with PTs, so they are informed of the potential impacts to the respective programs.

Paragraph 12.1(f)

iii) prioritization of projects;

INTERPRETATION

Major Capital Programs are developed based on an established prioritization model that includes: Operational Objectives, Operational Functionality, Code Compliance, Asset Suitability, Asset Condition and Portfolio Sustainability.

Minor Capital Programs are developed based on a standardized process that considers legislative and code compliance, health and safety, operational functionality and sustainability.

Living Quarters Programs use a combination of both models, since this Program combines both new assets (like the Major Capital Program) and recapitalization of existing assets (like the Minor Capital Program).

ADMINISTRATION

Major Capital Programs are jointly developed at the onset of the five-year planning period through a systematic analysis of the real property portfolio against the above noted prioritization criteria. The analysis includes consultation with operational senior management representatives, PT representatives and Corporate Management subject matter experts. An initial priority list will be developed based on this analysis and a secondary review is completed to ensure due diligence and rigour is applied to the process, prior to prioritization being completed and submitted for approval.

Minor Capital and Living Quarters Programs are jointly developed and prioritized annually and are based on the standardized process noted above and augmented with project requests based on operational priorities (i.e., new house for an additional member in an isolated community) or value for money initiatives (i.e., betterments).

Paragraph 12.1(f)

iv) site selection, to the extent possible; and

INTERPRETATION

Site selection refers to the specific parcel of land that will accommodate the new facility. A project that is included in the five-year Major Capital plan may or may not have a site already selected. The site selection for each project will respect the principles of accountability and transparency, and will include consultation. The final determination of a site will be based on multiple criteria including, but not limited to, operational requirements, land availability, access to major roads, site services availability, etc.

Paragraph 12.1(f)

v) size of Buildings.

INTERPRETATION

The five-year Major Capital plans are based on an average or indicative size for the proposed facilities, as the exact size of a facility may not be known until later in the project development. The indicative building sizes are developed based on an initial assessment of projected establishment figures provided by RCMP Divisional senior management in consultation with the PT. As the project planning progresses, the size of the facilities is further refined and more substantive space estimates are included in the five-year plan.

ADMINISTRATION

A Request for New or Improved Accommodations (Form 1911) is completed and approved by the CO. This form provides initial rationale, projected future establishment and cell usage in the proposed Detachment area. This information is then provided to Corporate Management who will consult with the PT then initiate the project, further

develop the functional requirements and develop a more substantive space estimate. The size and space estimates for each project will respect the principles of accountability and transparency, and will include consultation.

THE PROJECTED FIVE-YEAR BUDGETS

Paragraph 12.1(g)

The Projected Five-Year Budgets for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters for the Provincial / Territorial Police Service are to be determined for each Fiscal Year between the Commissioner and the Territorial Minister, and such projected budgets will cover five Fiscal Years. The Projected Five-Year Budget for Divisional Minor Capital is established in accordance with Annex 'I'.

INTERPRETATION

As mutually agreed, once the projected five-year budgets have been set by way of an approved APC, this budget shall be deemed valid for the five-year period and funded within the PT budget cap. Any increases in funding will be considered supplemental.

The Projected Divisional Five-Year Budgets (Budgets) for Major Capital, Minor Capital and Living Quarters are determined for each fiscal year of the five-year period between the Commissioner and the Provincial or Territorial Minister.

The Accommodations Program Charge is the amount paid yearly by a PT to Canada for its share of the total expenditures made by Canada for Divisional Major Capital, Divisional Minor Capital and Divisional Living Quarters. The Accommodations Program Charge is established by adding together the Projected Five-Year Budgets for Divisional Major Capital, Divisional Minor Capital and Divisional Living Quarters and dividing by five.

$$APC = \frac{\text{Major Cap 5 yr budget} + \text{Minor Cap 5 yr budget} + \text{Living Quarters 5 yr budget}}{5}$$

The Accommodations Program Charge is set for the following five year periods:

- April 1, 2012 to March 31, 2017
- April 1, 2017 to March 31, 2022
- April 1, 2022 to March 31, 2027
- April 1, 2027 to March 31, 2032

The projected five-year budgets are in Annex D. These budgets will be updated as required if the RCMP or PT transfers any monies between accommodations program

components per Article 12.1 (o), identifies supplemental funding or if any major capital project is not approved per Article 12.1 (iv).

ADMINISTRATION

The next Five-Year Budgets will be determined jointly between the parties, leading up to the following 5 year period. Formulas to assist in determining the Major Capital, Minor Capital and Living Quarters Programs are included in the Annex C and D Template Guideline.

Paragraph 12.1(h)

In jointly setting the Projected Five-Year Plans and Budgets, the Commissioner will provide the Provincial / Territorial Minister with copies of any Building Condition Reports for Buildings or Living Quarters.

INTERPRETATION

Building Condition Reports and other related documents are used in the prioritization of projects within the accommodations programs. Canada will provide these to the PT as part of the joint setting of the plans and budgets when available.

ADMINISTRATION

Provincial / Territorial representatives may request Building Condition Report, or other similar documentation, in support of the Five Year Plan development process. These will be provided by Corporate Management on behalf of the Commissioner on a timely basis.

Paragraph 12.1

i) The Parties will jointly confirm that portion of the Projected Five-Year Major Capital Plan and Budget applicable to the next following Fiscal Year by December 15 of each Fiscal Year.

j) The Parties agree that any project approved under paragraph (p) in one Fiscal Year that continues in a subsequent Fiscal Year will continue until the next approval stage and the expenditures projected to be made by Canada for that project will be included in that portion of the Projected Five-Year Major Capital Plan and Budget jointly confirmed under paragraph (i).

k) In the event that Projected Plans or Budgets are not determined or confirmed, then until such time as those Plans and Budgets are determined or confirmed, Canada will make such reasonable expenditures as are required to maintain the Buildings, divisional or regional headquarter buildings and Living Quarters at a standard that is necessary for the Service to carry out its responsibilities under this Agreement and the Territory will pay 70 per cent of those expenditures in the Fiscal Year that they are made. For greater certainty, Canada will continue to make expenditures that would normally be included in the Projected Budgets for Divisional Minor Capital and Divisional Operations and Maintenance and will not make expenditures to replace,

Renovate, construct, or acquire Buildings other than in respect of those projects which have been previously approved in accordance with paragraph (p).

INTERPRETATION

By December 15 of each Fiscal Year, both Canada and the PT will confirm the portion of the Projected Five-Year Major Capital Plan and Budget for the next Fiscal Year.

Canada and the PT agree that any project approved under 12.1 (p) that continues from one Fiscal Year into the next will: continue to the next approval stage and; the forecasted expenditures for that project for the next Fiscal Year will be included in the portion of the Major Capital Plan and Budget jointly confirmed by December 15th.

The RCMP is required by law to maintain Crown-owned facilities to meet various standards and requirements. If Projected Plans or Budgets are not determined or confirmed, then Canada can make expenditures as required to maintain the Buildings, Divisional Headquarters, and Living Quarters at the necessary standards needed to meet the responsibilities of the Agreements. The PT will pay 70% of these costs in the fiscal year in which they are spent.

If the December 15 deadline has not been met, the RCMP will continue to deliver the previously approved Major Capital projects to the next stage of delivery. Consultations and negotiations will continue between the parties to resolve outstanding issues and obtain Major Capital Plan and Budget confirmation.

Canada will continue to make expenditures that would normally be included in the Projected Budgets for Divisional Minor Capital and Divisional Operating and Maintenance, but will not make expenditures to construct, Renovate or acquire Buildings (i.e., Major Capital expenditures) other than those previously approved by Canada and the PT under 12.1 (p).

ADMINISTRATION

Regular discussions and reporting will occur between the parties regarding the status of the accommodations program components.

The updated Major Capital Plan and Budget will be provided to the PT by December 1 of each year. The PT will respond formally via e-mail by December 15th confirming the portion of the Major Capital Plan and Budget to be implemented the following fiscal year.

The RCMP will provide the PT with estimated annual expenditures to meet this minimum requirement by March 15th following the December 15 deadline noted in Article 12.1 (i).

The RCMP will provide the PT with the estimated annual reasonable expenditures required to maintain the Buildings, divisional or regional headquarters buildings, and Living Quarters by the following March 15.

Paragraph 12.1

l) Each Projected Five-Year Plan will be recorded in Annex 'C' of this Agreement.

m) Each Projected Five-Year Budget will be recorded in Annex 'D' of this Agreement.

n) Subject to subparagraph (p)(iv), the Accommodations Program Charge for the Fiscal Years beginning April 1, 2012 and ending March 31, 2017 is \$_____.

INTERPRETATION

The Projected Five-Year Plans and Budgets (for Divisional Major Capital, Divisional Minor Capital and Divisional Living Quarters, for the period April 1, 2012 to March 31, 2017) are recorded respectively in Annex "C" and Annex "D" of the Agreement. The Accommodations Program Charge is recorded in Annex "D", and under 12.1 (n) for the initial period of April 1, 2012 to March 31, 2017 only.

ADMINISTRATION

Projected Five-Year Plans and Budgets (for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters, for each of the five-year periods: April 1, 2017 to March 31, 2022, April 1, 2022 to March 31, 2027, April 1, 2027 to March 31, 2032) will be recorded respectively in updates to Annex "C" and Annex "D". The Accommodations Program Charge for those periods will be recorded in the updated Annex "D", but not under 12.1 (n) of this Agreement.

Movement of Monies between Budgets

Paragraph 12.1(o)

Monies paid under the Accommodations Program Charge in respect of the Projected Budgets for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters may be transferred by the RCMP between those budgets in any Fiscal Year, up to a maximum of 20 per cent of the originating budget without prior approval, and the transfer may also include amounts above 20 per cent with the prior written approval of the Provincial / Territorial Minister; if monies amounting to a cumulative total of less than 20 per cent are moved, the RCMP will notify the Province/Territory as soon as practicable.

INTERPRETATION

Flexibility of the funding model is required to ensure the sustainability of the various accommodations program components. Monies may be transferred between accommodations program components to meet operational priorities and the principle of sustainability.

The RCMP can, without prior approval, transfer up to 20% of the monies in any Fiscal Year between accommodations program components (Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters). This 20% is calculated from the originating budget. For example, if the Minor Capital budget is \$1,000,000 per Fiscal Year, then a maximum of \$200,000 per year could be moved to another program. A movement of funds of more than 20% of the originating budget can take place if the PT Minister has provided written approval prior to the movement of funds. If a movement of funds of less than 20% of the originating budget occurs, the RCMP will notify the PT as soon as possible.

ADMINISTRATION

The requirement for transfer of monies between programs will be identified through the accommodations program review as outlined in 12.1 a) i) above. Recommended transfers less than 20% will be communicated to all Annex signatories and approved informally through the provision of Annex C & D with the transfers highlighted. Recommended transfers greater than 20% will require a formal sign-off of the revised Annex C & D upon completion of the consultation process and sustainability analysis.

Transfer of funds between budgets will be done through the annual Annex C & D joint planning process or through consultation if the transfer of funds is required at any other time. Both the RCMP and the PT can raise the need to transfer funds from one budget to another. Transfers of less than 20% of the originating budget will be communicated to the PT as soon as possible (via e-mail notification within 15 days of the transfer) and through updates of Annex "C" & "D" with the transfers highlighted (via e-mail on a quarterly basis). Transfers of more than 20% of the originating budget require a prior written approval (via letter) from the PT Minister. Once approval has been received, the updated Annex "C" & "D" will be communicated to the PT with the transfers highlighted (via e-mail within 15 days of the approval).

PROJECT STAGE AND CHANGE ORDER APPROVALS

Paragraph 12.1(p)

i) In carrying out each project described in the Divisional Major Capital Plan, Canada will seek the approval of the Provincial / Territorial Minister at each of the following approval stages:

- A) Indicative estimates, which will serve as the preliminary project approval;***
- B) Substantive estimates, which will serve as effective project approval;***
- C) Approval of actual tender results, which will serve as a confirmation of the approval to replace, Renovate, construct, or acquire Buildings; and***
- D) Approval of project change orders if the aggregate of such changes will result in an increase to the project costs previously approved in clause C of greater than 15 per cent.***

E) For greater certainty, the approvals described in clauses A through D are limited to the overall total project expenditure projected to be made by Canada for that project.

INTERPRETATION

Each project in the Major Capital Plan requires the approval of the PT Minister at various approval stages. These stages are:

A) Indicative estimates: early “order of magnitude” estimates and generally believed to be within +/- 40% of final costs. These serve as preliminary project approval.

B) Substantive estimates: developed near the completion of the design phase of a project and provide a greater degree of cost certainty and believed to be within 10 – 15% of final costs. These serve as effective project approval.

C) Actual tender results: once the tendering process is complete, the results are relayed to the PT for approval. These serve as confirmation of the approval to construct, Renovate or acquire Buildings.

D) Project change orders: approval by the PT Minister is required if changes to the project result in an aggregate increase greater than 15% to the project costs previously approved.

These four approval stages are limited to the overall total project expenditure projected to be made by Canada for that project.

ADMINISTRATION

The RCMP will provide the PT with a formal Project Stage Approval or Change Approval document for consideration and approval.

Paragraph 12.1(p)

ii) The Provincial / Territorial Minister, or his or her delegate, will, within 15 calendar days of a receipt of a request for approval, respond in writing to Canada indicating his or her decision to either approve or not approve, and in the absence of a response the Provincial / Territorial Minister will be deemed to have approved.

INTERPRETATION

Absence of a written response to the formal request for approval will be deemed to be formal approval of the Stage or Change Approval.

ADMINISTRATION

The RCMP will send the Project Stage or Change Approval to the PT via e-mail and record the date of distribution. Upon receiving a written response within the 15 days, the RCMP will proceed with implementation of the Stage or Change.

Paragraph 12.1(p)

iii) Each decision by the Provincial / Territorial Minister to not approve a project to continue to the next stage will be deemed to be an amendment to the Projected Five Year Divisional Major Capital Plan and Budget.

iv) In the event that there is a change made to the Projected Five Year Divisional Major Capital Budget in accordance with subparagraph (iii), then the Accommodations Program Charge will be reduced for the remaining Fiscal Years of that Budget by an amount equal to the projected costs for that project that would have otherwise been incurred divided by the remaining Fiscal Years of that Budget.

INTERPRETATION

Any changes to the Major Capital plan as a result of a PT decision to not proceed with a planned project is deemed to be an amendment to the Major Capital Plan and Budget.

If a change is made to the Major Capital Plan and Budget as a result of a project not being approved to continue to the next approval stage, the APC will be reduced for the remaining fiscal years by the amount equal to the remaining projected costs of the project not approved, divided by the number of years remaining in the five-year period.

ADMINISTRATION

If a change is made to the Major Capital Plan and Budget as a result of a project not being approved to continue to the next approval stage. The RCMP will submit to the PT an updated APC reflecting the decrease.

$$\text{Reduction in APC} = \left(\frac{\text{Remaining Projected Exp of Project Not Approved}}{\text{Remaining Fiscal Years of APC}} \right) \times 70\%$$

For example, if in year two of a five year APC cycle, a project with remaining projected expenditures of \$3M is not approved, then the updated APC would see a yearly decrease of \$700K.

$$700K = \left(\frac{\$3M}{3 \text{ Years}} \right) \times 70\%$$

Paragraph 12.1(p)

v) The Parties agree that in no event will a decrease in the pace of the works undertaken in respect of the accommodations program be made if such a decrease will affect the sustainability of the program in support of the Service, the determination of which is to be informed by such considerations as the condition and remaining useful life of Buildings, any impacts to the functionality of Buildings and any impacts on the Projected Five Year Minor Capital Plans and Budget that may result.

INTERPRETATION

The principles of sustainability, accountability and consultation are paramount in the determination of any major adjustments to the Five Year Capital Plan – this also impacts future Minor Capital budget calculation. Future consideration to reduce the pace of Detachment replacement will be fully assessed prior to the acceptance of the proposed reduction.

ADMINISTRATION

This assessment will be completed at the Divisional and National level to ensure key objectives and stewardship responsibilities are realized from both perspectives.

Analysis of the impact of a reduction in the pace of works that are part of the Major Capital Plan will be completed by the RCMP and shared with the PT. This analysis will be used by the parties in jointly determining if the reduction in the pace of works will be implemented.

FIVE-YEAR RECONCILIATION

Paragraph 12.1

q) During the Fiscal Years beginning April 1, 2016, April 1, 2021, and April 1, 2026, respectively, there will be a Five-Year Reconciliation undertaken and completed by the Parties.

r) The results of each Five-Year Reconciliation will inform the setting of the Projected Five Year Plans and Budgets, to be determined between the Commissioner and the Provincial / Territorial Minister, scheduled to begin in the next following Fiscal Year.

s) Following the Five-Year Reconciliation, any deficiency in payment or over-payment by the Provincial / Territory as a result of the payments made under the Accommodations Program Charge during the preceding period of five Fiscal Years will be credited to or debited against the Province's / Territory's Projected Budgets set in accordance with paragraph (t).

t) As part of each Five-Year Reconciliation the Commissioner will:

i) determine the aggregate of expenditures made by Canada in respect of the accommodations program of works undertaken in accordance with this article during the previous five Fiscal Years of this Agreement;

ii) determine the aggregate of payments by the Province / Territory made under the Accommodations Program Charge during the previous five Fiscal Years of this Agreement;

iii) determine with the Provincial / Territorial Minister what changes, if any, should be made to the Plans for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters to either increase or decrease the pace of the accommodations program undertaken;

A) for greater certainty, the Parties agree that in no event will a decrease in the pace of the works undertaken in respect of the accommodations program be made if such a decrease will affect the sustainability of the program in support of the Service;

iv) determine with the Provincial / Territorial Minister what changes, if any, should be made to the Projected Budgets for Divisional Major Capital, the Divisional Minor Capital, and the Divisional Living Quarters to either increase or decrease the Accommodations Program Charge in respect of the five Fiscal Years begin April 1, 2017, April 1, 2022, and April 1, 2027 and ending on the fifth-following March 31st;

A) for greater certainty, the Parties agree that in no event will a decrease to the Accommodations Program Charge be made if the decrease will affect the sustainability of the accommodations program in support of the Service.

u) Following each Five-Year Reconciliation, an Accommodations Program Charge in respect of the periods beginning April 1, 2017, April 1, 2022 and April 1, 2027 and ending on the fifth-following March 31st will be established by adding the projected total financial commitment set out in each of Projected Five-Year Budgets for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters and dividing by five.

INTERPRETATION

In April of the last year of the five-year period²⁶, the PT and RCMP asset management will meet to review the progress of the accommodations program and realistic expectations regarding the program meeting its target budget. The PT and RCMP asset management will meet in the fall for planning sessions to jointly determine the following five-year plans and budgets for Major Capital, Minor Capital and Living Quarters, as well as the five-year O&M plan. The five-year reconciliation will be used to inform the budgets for the following five-year period.

An initial priority list for Major Capital projects is developed by the RCMP based on an analysis of the real property portfolio which includes consultation with RCMP operational senior management, PT representatives and Corporate Management subject matter experts. This initial priority list is then refined at the fall planning session between the PT and RCMP asset management, resulting in the Major Capital plan and budget for the following five-year period.

The Minor Capital and Living Quarters plans and budgets are jointly determined at the fall planning session. The Minor Capital budget is determined in accordance with Annex

²⁶ This decision is recorded in the CMC Record of Decision for the November 6-7, 2012 meeting.

“I” while the Living Quarters budget is jointly determined between the PT and RCMP asset management, taking into account the results of the five-year reconciliation for the previous five-year period. The plans for both Minor Capital and Living Quarters are jointly determined based on prioritization of the projects for the jurisdiction. This prioritization will take into account operational objectives, operational functionality, legislative and code compliance, health and safety, asset suitability, asset condition and portfolio sustainability, as well as project requests based on operational priorities (i.e., new house for an additional member in an isolated post community) or value for money initiatives (i.e., betterments).

ADMINISTRATION

The Five-Year reconciliation will be utilized in setting the following Five-Year Plans and Budgets, and as such it must be completed prior to the setting of those Plans and Budgets. At the time the Five-Year reconciliation is to be initiated, actual expenditures/payments for the previous Five-Year period will not be known. On or around April 1 of 2016, 2021 and 2026, the RCMP will initiate the Five-Year reconciliation. This reconciliation will use a combination of the actual expenditures that are known at the time for the previous years of the five-year period and a forecast of the expenditures not yet processed for the previous years and the current year of the five-year period.

The resulting total expenditures (at 70%) for the five-year period are then compared to the payments made (and projected to be made for the final year of the five-year period) by the PT to Canada under the APC. The variance between the total expenditures (at 70%) projected to be made for the five-year period and the total projected APC payment is calculated. This variance (over or under payment by the PT for the five-year period) is then used by the PT and Canada to determine the next five-year plans and budgets. The reconciliation will be provided by e-mail to the PT by June 30 of that year.

$$\text{Variance} = \text{Total APC payments} - (70\% \times \text{Total Expenditures})$$

Following each Five-Year Reconciliation, a new Accommodations Program Charge will be established for the following five year periods:

- April 1, 2017 to March 31, 2022
- April 1, 2022 to March 31, 2027
- April 1, 2027 to March 31, 2032

The Accommodations Program Charge will be set by adding the Projected Five-Year Budgets for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters for the upcoming five year period, as well as the carryover from the Five-Year Reconciliation for the previous five year period (positive or negative), and dividing the

total by five. The Projected Five-Year Budgets are determined as per the process described above under Five-Year Plans and Budgets – 12.1 (f–h).

GENERAL ADMINISTRATION FOR SUBARTICLE 12.1

The responsibility for costs for environmental assessments and contamination remediation as O&M expenditures is currently under discussion among CMC members. The CMC is examining the conditions under which assessments are undertaken and the typical causes of contamination. This section will be amended once a decision has been made.

Subarticle 12.2

The Parties agree that:

- a) any requirement to Renovate, replace or acquire new divisional or regional headquarter buildings will be by means of a separate agreement subject to the process and principles outlined in subarticle 8.2.b; and***
- b) subject to the written agreement of the Federal Minister, any costs that are agreed to be shared in respect of those headquarters buildings may be included in this Agreement through an adjustment to the Accommodations Program Charge to be tracked as a line-item and to be made by amendment in accordance with Article 25.***

INTERPRETATION

The Renovation, replacement or acquisition of a new divisional or regional headquarters building will be through a separate agreement between Canada and the PT. Canada will consult the PT Minister and obtain approval on all terms and conditions of the project during the planning phase and prior to the beginning of the Renovations, demolition or construction.

Subject to written agreement by the PT Minister and the Federal Minister, costs that are agreed to be shared can be included in the Accommodations Program Charge through and adjustment, to be tracked as a separate line-item.

ADMINISTRATION

Proposals will be managed as Major Capital projects and require written approval from all parties prior to the advancement of the project and/or stages within the project.

Canada will obtain approval from the PT Minister, during the planning phase, on all financial terms and conditions of the project, including the projected size of the building and improvements. This will ensure that the proposed building and improvements are appropriate and proportionate to the anticipated demands on, and uses of, the Police Service's portion of the divisional or regional headquarters building.

A separate written agreement will be prepared between Canada and the PT outlining the costs to be shared, and any other conditions agreed to. These shared costs may be included in the Accommodations Program Charge if agreed to by Canada and the PT. Inclusion of the shared costs in the Accommodations Program Charge will be made through an amendment of the Agreement as per Article 25.

Subarticle 12.3

Despite any payments made by the Province / Territory under this Agreement, there shall be no transfer, granting or creation of any interest in real property or a license, as those terms are defined in the Federal Real Property and Federal Immovables Act, from Canada in favour of the Province / Territory. All of the real property that is held, acquired, used or administered by Canada to provide and maintain the Provincial / Territorial Police Service shall remain at all times the sole property of Canada. For greater certainty, Canada and the Province / Territory agree that no real property interest whatsoever or a licence are acquired, created or implied by this Agreement.

INTERPRETATION

Despite any payments made by the PT under this Agreement, all of the real property that is held, acquired, used or administered by Canada to provide and maintain the PT Police Services will remain the sole property of Canada.

SURVIVAL OF PAYMENT OBLIGATIONS

Subarticle 12.4

Despite any other provision of this Agreement, the amount owed under this article will survive the expiration or termination of this Agreement until it is paid in its entirety.

INTERPRETATION

Despite any other provision, any amount owed by the PT or Canada under this Article will remain payable beyond the expiration or termination of this Agreement.

ANNEX 'C': PLANS FOR DIVISIONAL MAJOR CAPITAL, MINOR CAPITAL AND LIVING QUARTERS

TABLE C-1

Projected Five-Year Plan for Divisional Major Capital

PROVINCE/TERRITORY OF _____ PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL MAJOR CAPITAL											
NUMBER OF DETACHMENTS IN DIVISION: xx (1)				FISCAL YEARS 2012–2013 to 2016-2017							
TOTAL ANNUAL MAJOR CAPITAL ACCOMMODATION PROGRAM CHARGE (\$)				MAJOR CAPITAL PLAN AS AT: April 23, 2013							
\$ 0,000,000 (@100%), \$0,000,000 (@70%) (2)											
PROJECTED REPLACEMENT COST NEW:		\$6,000 (2012) \$6,495 (2016)		ACTUAL REPLACEMENT COST NEW:		\$7,971					
(3)				(8)							
PROJECTED AVERAGE DETACHMENT REPLACEMENT RATE TARGET		ANNUAL: 0.00	5-YR: 0.00	ACTUAL DETACHMENT REPLACEMENT RATE:		ANNUAL: 0.0			5-YR: 0.0		
(4)				(9)							
DIVISIONAL DETACHMENT AVERAGE AGE (2012)		33.4		ACTUAL DIVISIONAL AVERAGE AGE:		@ 5 YRS:	37.7	@ 20 YRS:	50.6		
(5)				(10)							
PROJECTED AVERAGE SIZE (M2 G)		500		ACTUAL AVERAGE SIZE (M2G):		798					
(6)				(11)							
PROJECTED DIVISIONAL MAJOR CAPITAL (100%)				ACTUAL DIVISIONAL MAJOR CAPITAL (100%)							
(7)				(12)							
2012-2013		\$0,000,000		2012-2013		\$0,000,000					
2013-2014		\$0,000,000		2013-2014		\$0,000,000					
2014-2015		\$0,000,000		2014-2015		\$0,000,000					
2015-2016		\$0,000,000		2015-2016		\$0,000,000					
2016-2017		\$0,000,000		2016-2017		\$0,000,000					
5-YEAR TOTAL (100%)		\$00,000,000		5-YEAR TOTAL (100%)		\$00,000,000					
DETACHMENT DETAILS (13)				PROJECT DETAILS (13)		M2 G (13)		PROJECTED COSTS (13)		MILESTONES (13)	
PROJECT ID	LOCATION	BUILDING CODE	CURRENT AGE (2012)	TYPE A REPLACEMENT TYPE B RENOVATION	= RATIONALE	CURRENT	PROJECTED	PROJECTED REPLACEMENT COST NEW	TOTAL ESTIMATED COSTS (\$)	START	END
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)

TABLE C-2**Projected Five-Year Plan for Divisional Minor Capital**

PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL MINOR CAPITAL								
PROVINCE OF _____			FISCAL YEARS 2012–2013 to 2016-2017					
TOTAL BUDGET (100%):			\$0,000,000 (14)					
PROJECT ID	LOCATION	BUILDING CODE	DESCRIPTION	PROJECT PRIORITY	START	END	BUDGET (\$)	RATIONALE A: PLANNED LIFE-CYCLE B: COST SAVINGS INITIATIVE C: BULK LIFE-CYCLE
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL MINOR CAPITAL							\$0,000,000 (24)	
VARIANCE (PLANNED-ACTUALS)							\$0,000 (25)	

TABLE C-3**Projected Five-Year Plan for Divisional Living Quarters**

PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL LIVING QUARTERS								
PROVINCE OF _____			FISCAL YEARS 2012–2013 to 2016-2017					
TOTAL BUDGET (100%): \$000,000 (26)								
PROJECT ID	LOCATION	BUILDING CODE	DESCRIPTION	PROJECT PRIORITY	START	END	BUDGET (\$)	RATIONALE A: PLANNED LIFE-CYCLE (MINOR) B: COST-SAVINGS INITIATIVE (MINOR) C: BULK LIFE-CYCLE D: END OF USEFUL LIFE (MAJOR) E: FUNCTIONAL OBSOLESCENCE (MAJOR) F: NEW DEMAND
(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)
PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL LIVING QUARTERS							\$000,000 (36)	
VARIANCE (PLANNED-ACTUALS)							\$0 (37)	
TOTAL NUMBER OF LIVING QUARTERS REPLACED DURING PLANNING PERIOD								0 (38)

**ANNEX “D”: PROJECTED BUDGETS FOR DIVISIONAL MAJOR CAPITAL, MINOR
CAPITAL AND LIVING QUARTERS**

TABLE D-1 (Group of 8)

Projected Five-Year Budget for Divisional Major Capital

PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL MAJOR CAPITAL			
FISCAL YEARS 2012-2013 TO 2016-2017			
FISCAL YEAR	MAJOR CAPITAL		PROJECTED MAJOR CAPITAL COMPONENT OF ACCOMMODATIONS PROGRAM CHARGE AT 70%
	PROJECTED TOTAL EXPENDITURE (100%) (A) (39)	PROJECTED TOTAL EXPENDITURE (70%) (B) (40)	
2012–2013	\$0,000,000	\$0,000,000	\$0,000,000
2013–2014	\$0,000,000	\$0,000,000	\$0,000,000
2014–2015	\$0,000,000	\$0,000,000	\$0,000,000
2015–2016	\$0,000,000	\$0,000,000	\$0,000,000
2016–2017	\$0,000,000	\$0,000,000	\$0,000,000
TOTAL	\$0,000,000	\$0,000,000	\$0,000,000

Column A is the expenditures projected to be made by Canada for the construction, Renovation or acquisition of Buildings (predominantly Detachments) in accordance with the Projected Five-Year Plan for Divisional Major Capital.

Column B is the total amount projected to be owing by the PT for expenditures made by Canada for the construction, Renovation or acquisition of Buildings (predominantly Detachments) in accordance with the Projected Five-Year Plan for Divisional Major Capital.

Column C is the total Provincial portion of the Divisional Major Capital Budget, at 70% averaged over 5 years, projected to be owing by the PT that is to be included in the Projected Accommodations Program Charge.

TABLE D-2**Projected Five-Year Budget for Divisional Minor Capital**

PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL MINOR CAPITAL			
FISCAL YEARS 2012–2013 TO 2016–2017			
FISCAL YEAR	MINOR CAPITAL		PROJECTED MINOR CAPITAL COMPONENT OF ACCOMMODATIONS PROGRAM CHARGE AT 70%
	PROJECTED TOTAL EXPENDITURE (100%) (A) (48)	PROJECTED TOTAL EXPENDITURE (70%) (B) (49)	
2012–2013	\$0,000,000	\$0,000,000	\$0,000,000
2013–2014	\$0,000,000	\$0,000,000	\$0,000,000
2014–2015	\$0,000,000	\$0,000,000	\$0,000,000
2015–2016	\$0,000,000	\$0,000,000	\$0,000,000
2016–2017	\$0,000,000	\$0,000,000	\$0,000,000
TOTAL	\$0,000,000	\$0,000,000	\$0,000,000

Column A is the expenditures projected to be made by Canada for the combination of projects to be undertaken in accordance with the Projected Five-Year Plan for Divisional Minor Capital.

Column B is the total amount projected to be owing by the PT for expenditures made by Canada for the combination of projects to be undertaken in accordance with the Projected Five-Year Plan for Divisional Minor Capital.

Column C is the total Provincial portion of the Divisional Minor Capital Budget, at 70% averaged over 5 years, projected to be owing by the PT that is to be included in the Projected Accommodations Program Charge.

TABLE D-3**Projected Five-Year Budgets for Divisional Living Quarters**

PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL LIVING QUARTERS					
FISCAL YEARS 2012–2013 TO 2016–2017					
FISCAL YEAR	MAJOR CAPITAL PROJECTED EXPENDITURE (A) (51)		MINOR CAPITAL PROJECTED EXPENDITURE (B) (52)		PROJECTED LIVING QUARTERS COMPONENT OF ACCOMMODATIONS PROGRAM CHARGE AT 70% (C) (53)
	100% (A1)	70% (A2)	100 % (B1)	70 % (B2)	
2012–2013	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
2013–2014	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
2014–2015	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
2015–2016	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
2016–2017	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
TOTAL	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000

Column A1 is the expenditures projected to be made by Canada for the combination of projects to Renovate, construct, replace or increase the number of Living Quarters to be undertaken in accordance with the Projected Five-Year Plan for Divisional Living Quarters.

Column A2 is the total amount projected to be owing by the PT for expenditures made by Canada for the combination of projects to Renovate, construct, replace or increase the number of Living Quarters to be undertaken in accordance with the Projected Five-Year Plan for Divisional Living Quarters.

Column B1 is the expenditures projected to be made by Canada so as to have the Living Quarters remain fit for use and meet their expected useful life, but does not include Operating and Maintenance work done as part of the normal upkeep of Living Quarters.

Column B2 is the total amount projected to be owing by the PT for expenditures made by Canada so as to have the Living Quarters remain fit for use and meet their expected

useful life, but does not include Operating and Maintenance work done as part of the normal upkeep of Living Quarters.

Column C is the total provincial portion of the Divisional Living Quarters Budget (Major and Minor Capital), at 70% averaged over 5 years, projected to be owing by the PT that is to be included in the Projected Accommodations Program Charge.

TABLE D-4**Total Projected Five-Year Budgets for Divisional Major Capital, Divisional Minor Capital and Divisional Living Quarters**

TOTAL PROJECTED FIVE-YEAR BUDGETS FOR DIVISIONAL MAJOR, MINOR AND LIVING QUARTERS							
FISCAL YEARS 2012–2013 TO 2016–2017							
FISCAL YEAR	MAJOR CAPITAL PROJECTED EXPENDITURE (A) (54)		MINOR CAPITAL PROJECTED EXPENDITURE (B) (55)		LIVING QUARTERS PROJECTED EXPENDITURE (C) (56)		PROJECTED ACCOMMODATIONS PROGRAM CHARGE (D) (57)
	100%	70%	100 %	70%	100 %	70%	
2012–2013	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
2013–2014	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
2014–2015	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
2015–2016	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
2016–2017	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
TOTAL	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000

The table represents the cumulative total of previous tables.

TABLE C-1 - PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL MAJOR CAPITAL

Divisional Major Capital Plan means the combination of projects to replace, renovate, construct, or acquire buildings used as Detachments and may include such other Buildings as may reasonably be undertaken without affecting the sustainability of the program. Major Capital excludes land acquisition cost and applicable taxes.

1) Number of Detachments in Division

The number of Detachments included in the Major Capital Accommodations Program. (TEAM (SAP) owned building inventory types Detachment and Detachment with Attached housing with a PT establishment).

2) Total Annual Major Capital Accommodations Program Charge (\$)

This is the Major Capital component of the Accommodations Program Charge from Annex D-1 at 100% and 70%. (The 100% figure is derived by dividing the APC by 0.70).

For the group of 8 refer to Annex D-1 column C.

For the group of 3 refer to Annex D-1 column D.

3) Projected Replacement Cost New

The projected cost to replace a Detachment per square meter of new Detachment space (\$/m²). This is often referred to as the RCN. This amount was agreed upon based on historical and projected costs.

4) Projected Average Detachment Replacement Rate Target

The average number of Detachments planned to be replaced per year based on the projected replacement cost new (Field 3) and projected average size (Field 6). The 5-YR number is the annual rate x 5. This was agreed upon based on portfolio size and age, and the rate of replacement.

5) Divisional Detachment Average Age (2012)

The average age of the Detachments included in the Major Capital Accommodations Program and in the initial year of the PPSA (2012). The list of Detachments used for the average age is the same as used for the number of Detachments in division (Field 1).

6) Projected Average Size (M² G)

The projected average size of the new Detachments to be constructed under the five year Major Capital Accommodations Program.

7) Projected Divisional Major Capital (100%)

5-Year total includes the Major Capital Annual Budget for each year of the first five years of the PPSA, shown in 100% terms.

Calculation:

(Field 6) x (Field 3) x (Field 4) = Field 7

Field 6 = Square meters

Field 3 = RCN \$/m² from the cost per square meter to construct a new Detachment

Field 4 = the projected number of Detachments to be replaced annually

Inflation is added for years 2 through 5.

The 5-YEAR TOTAL is divided by 5 to get a flat rate Accommodations Program Charge for Major Capital and represented at 70% in Annex D-1.

Example:

2012-13	\$2,490,000	Base Budget = \$6,000 (projected RCN) x 595 (average M2) x 1.66 (annual rate)
2013-14	\$2,539,800	Budget = (2012-13 budget + 2% escalation)
2014-15	\$2,590,596	Budget = (2013-14 budget + 2% escalation)
2015-16	\$2,642,408	Budget = (2014-15 budget + 2% escalation)
2016-17	\$2,695,256	Budget = (2015-16 budget + 2% escalation)
5-YEAR TOTAL	\$12,958,060	

Note that NS, AB, and SK have annual adjustments made to the 2% escalation based on Article 12.14.

8) Actual Replacement Cost New:

The RCN is calculated for each project by taking the project's Total Estimated Cost (TEC) and dividing by the projected new Detachment area. This field shows the average of the RCN for projects to be completed in years 2012-13 to 2016-17.

9) Actual Detachment Replacement Rate:

Annual – 1/5 of the 5 year actual replacement rate

5 Year – Reflects actual replacement rate based on the % completion of each project at the end of 2016-17. The % completion is determined by the total expenditures projected at the end of 2016-17 compared to the TEC

Example:

Project	TEC	Previous Fiscal years (PYs)	2013	2014	2015	2016	2017	Future Years (FY)	5 year % completion
1	2,000,000	500,000	0	0	0	1,000,000	500,000	0	100%
2	5,000,000	0	0	0	0	0	2,500,000	2,500,000	50% (sum of PYs and years 2013 to 2017) ÷ TEC 2.5M ÷ 5M
Total	7,000,000	500,000	0	0	0	1,000,000	3,000,000	2,500,000	

Replacement rate = 1.5 over 5 years, 0.3 annually

10) Actual Divisional Average Age:

- @ 5 Years - The average age of the Detachments included in the Major Capital Program at the end of the initial 5 years (2012-13 – 2016-17) accounting for changes in age due to the replacement and major renovation through the Major Capital accommodations program.
- @ 20 Years – The average age of the Detachments included in the Major Capital Program extrapolated over 20 years based on the five-year trend.

Example:

Divisional Detachment Average Age (2012) (Field 5) is 33.4

Based on the Major Capital projects planned, the Actual Divisional Average age is 37.7

This is an increase in age of the Detachment portfolio of 4.3 over 5 years.

If the trend of increasing the average age by 4.3 years for each 5 year period, the average age at year 10 would be 33.4 + 4.3 (first 5 years) + 4.3 (second 5 years) or 33.4 + (4.3 x 2)

At 20 years this would be 33.4 + 4.3x4 = 50.6.

As these calculations are done without rounding before population the templates, the number in the @20 YRS may show as off by a decimal place. (e.g. 50.5 vs 50.6).

11) Actual Average Size (M2 G)

Average of the projected actual size (M2) of the new Detachments included in the current 5 Year Major Capital Accommodations Program.

12) Actual Divisional Major Capital (100%)

The amounts in this section represent the total planned expenditures (project cashflows) in each year of the 5 Year Major Capital Plan.

13) Proposed Project List

Includes details of the planned projects as well as any major projects where supplemental funding was obtained (identified with footnotes). Non Detachment buildings are not included in metrics for the Replacement Cost New, average age or average size calculations.

Detachment Details

- a) Project ID – The TEAM (SAP) project number used for internal tracking and reporting
- b) Location – Community where the Detachment will be located
- c) Building Code – The TEAM (SAP) building inventory number used for internal tracking and reporting
- d) Current Age (2013) – Age of the Detachment being replaced

Project Details

- e) Identifies if the project a Major Renovation or a Replacement
- f) Rational identifies why the renovation or replacement is required (end of useful life, expansion, etc)

M2 G

- g) the gross square meters of the current Detachment
- h) the projected gross square meters of the new Detachment

Project Costs

- i) Projected Replacement Cost new is the project's TEC

Calculation:

$$(\text{Field 13 j}) / (\text{Field 13 h}) = (\text{Field 13 i})$$

Field 13 j = TEC (\$)

Field 13 h = projected gross square meters of the new Detachment (m2)

- j) The TEC of the project (not just the expenditures for the 5 years of this plan).

- k) Fiscal year project start date

l) Fiscal year project end date

TABLE C-2 - PROJECTED FIVE-YEAR PLANS FOR DIVISIONAL MINOR CAPITAL

Divisional Minor Capital Plan means the combination of projects to be undertaken so as to have all Buildings (excluding living quarters) remain fit for use and meet their expected useful life, such as the replacement of building components and/or sub-systems like electrical, heating, ventilation, air conditioning, and plumbing systems. Normal Operations and Maintenance work done as part of the regular upkeep of Buildings is not included.

14) Total Budget (100%) - The APC at 100%.

15) Project ID

Where available, allows for tracking of projects by reference number and eases any reconciliation exercises

16) Location

Includes geographical location (city) and building type (e.g., Detachments, district office, garage, other)

17) Building Code

As there can be more than one building at a site (such as support buildings), this codes ensures accurate identification. This is the TEAM (SAP) inventory number.

18) Description - Describes what work will be done

19) Project Priority

Allows for efficient prioritization of minor capital investments

PROJECT PRIORITIES**Priority Definition**

PRIORITY A **A1 – Emergency:** A condition/deficiency that has occurred. The condition/deficiency has already or will very shortly result in the shutdown of a building/support system or in an incident or discovered condition that will threaten human health, safety, and/or the environment. Emergency projects require immediate action and are not reflected in the BMP/PMP, but rather are dealt with upon discovery or the deficiency occurring.

PRIORITY B A condition/deficiency that if left uncorrected next fiscal year, risks becoming a Priority A1 Emergency project.

PROJECT PRIORITIES	
Priority	Definition
	<p>B1 - Health, Safety and Environment: A condition/deficiency that currently constitutes a regulatory violation, or poses a serious risk to human health, safety and/or the environment.</p> <p>B2 - Operational Efficiency: A condition/deficiency that threatens operational objectives and, if left uncorrected next fiscal year, could result in the RCMP incurring productivity losses which could outweigh the cost of the corrective work. Every effort should be made to ensure that no B2 projects are delayed so as to become B1 or A1 priority projects.</p> <p>B3 - System Integrity: A condition/deficiency that, if left uncorrected next fiscal year, will result in the shutdown of a critical support system of a building and could result in program delivery disruptions and productivity losses by the RCMP.</p>
PRIORITY C	<p>A condition/deficiency that is not yet a B Priority but, if left uncorrected next fiscal year or beyond, may result in regulatory violations, operational inefficiencies and increased costs. Corrective action, including investigation and analysis, would demonstrate prudence and due diligence. The resulting findings of any investigation will likely result in projects being recommended that may fall into B Priority classification.</p> <p>C1 - Health, Safety and Environment: A condition/deficiency that does not pose a potential threat to human health, safety, and/or the environment in the immediate planning year, but could lead to a regulatory violation if left uncorrected next fiscal year. A project that is determined to not pose an immediate threat to health, safety and environment in the immediate planning year should be coded to C1, Health, Safety and Environment.</p> <p>C2 - Operational Efficiency: A condition/deficiency that is certainly known to hamper operational efficiency and will not likely improve if continued to be left uncorrected, resulting in a higher priority project next fiscal periods.</p> <p>C3 - System Integrity: A condition/deficiency that is likely to result in increasing costs and will not improve if left uncorrected next fiscal year.</p> <p>C4 - National Programs: Specific National Programs as clearly identified by Treasury Board or RCMP Directives. Examples: Canada Wordmark, Tactile Signage, and Asset Management Plans.</p>

PROJECT PRIORITIES	
Priority	Definition
PRIORITY D	<p>A condition/deficiency that could be improved/corrected for the general benefit of the asset and the occupants. The condition/deficiency does not threaten building systems, operations, human health, safety and/or the environment. Action should be taken where funding can be made available.</p> <p>D1 - Asset Maintenance: A condition/deficiency that could be improved/corrected by repair or replacement but does not threaten building systems, operations, human health, safety and/or the environment.</p> <p>D2 - Appearance/Image: A condition for which work would improve the appearance or image of the building.</p> <p>D3 - Environmental Benefits: A non-emergency/regulatory situation that could be improved by the application of environmental best practices.</p>
PRIORITY X	<p>Projects for which the key factor is a significant financial benefit to the RCMP, including retention of current financial performance, where the work may not produce its own identifiable ROI. This priority may also include application of environmental best practices.</p>

20) Start - The fiscal year in which the projected is expected to commence

21) End - The fiscal year in which the projected is expected to be completed

22) Budget (\$) - Outlines total estimate value of the project

23) Rationale

Allows for efficient categorization of minor capital investments

Element	Definition
Planned Life-Cycle	Projects which are planned in order to allow the building to remain fit for use and meet its expected useful life. The replacement of a roof at year 20 is an example of planned life-cycle.
Cost Savings Initiative	Projects which generate a positive return on investment. Examples may include energy-saving projects which generate operation and maintenance cost reductions over time.
Bulk Life-Cycle	Bulk Project allocation for unplanned life-cycle projects

which may be difficult to specifically predict or itemize.

24) Projected Five-year Plan for Divisional Minor Capital - The sum of the Budget column (22)

25) Variance (Planned-Actuals)

Calculation:

(Field 14) – (Field 24) = Field 25

Field 14 = Total budget

Field 24 = Projected Five-year plan for divisional Minor Capital

TABLE C-3 - PROJECTED FIVE-YEAR PLANS FOR DIVISIONAL LIVING QUARTERS (LQ)

The Divisional Living Quarters program includes the renovation, new acquisition, and replacement of living quarters not part of a Detachment building. It also includes work undertaken to ensure the Living Quarters remain fit for use and meet their expected useful life (life cycle projects), but does not include Operations and Maintenance work done as part of the normal upkeep of Living Quarters.

26) Total Budget (100%) - The APC at 100%.

27) Project ID

Where available, allows for tracking of projects by reference number and eases any reconciliation exercises

28) Location

Includes geographical location (city) and building type (e.g., Detachments, district office, garage, other)

29) Building Code

As there can be more than one building at a site (such as support buildings), this codes ensures accurate identification. This is the TEAM (SAP) inventory number.

30) Description - Describes what work will be done

31) Project Priority

Allows for efficient prioritization of living quarters investments. See table for Field 19.

32) Start - The fiscal year in which the projected is expected to commence

33) End - The fiscal year in which the projected is expected to be completed

34) Budget (\$) - Outlines total estimate value of the project

35) Rationale

Allows for efficient categorization of minor capital investments (*The first 3 Elements are the same as minor Capital, the last 3 are specific to Living Quarters*)

Element	Definition
Planned Life-Cycle	Projects which are planned in order to allow the building to remain fit for use and meet its expected useful life. The replacement of a roof at year 20 is an example of planned life-cycle.
Cost Savings Initiative	Projects which generate a positive return on investment. Examples may include energy-saving projects which generate operation and maintenance cost reductions over time.
Bulk Life-Cycle	Bulk Project allocation for unplanned life-cycle projects which may be difficult to specifically predict or itemize.
End of Useful Life (Major)	The replacement of a Living Quarter due to the end of its useful life. The cost of maintaining, repairing or upgrading is greater than a new living quarter.
Functional Obsolescence (Major)	The replacement of a Living Quarter due to the fact that its space (size) is no longer suitable for RCMP use (too big, too small).
New Demand	A new demand over and above existing inventory resulting from a new operational requirement.

36) Projected Five-year Plan for Divisional Living Quarters

The sum of the Budget column (34)

37) Variance (Planned-Actuals)

Calculation

(Field 26) – (Field 36) = Field 37

Field 26 = Total budget

Field 36 = Projected Five-year plan for divisional Minor Capital

38) Total Number of Living Quarters Replaced During Planning Period

Breakdown of the number of Living Quarters Major Capital replacements during the 5 years (e.g. new or converted)

Calculation:

Count in Field 35 of rationales C (End of useful life), D (Functional obsolescence) and E (New demand)

TABLE D-1 - PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL MAJOR CAPITAL (GROUP OF 8)

39) Projected Total Expenditure (100%)

This is the same column as Field 7 on Annex C-1 and is calculated based on the RCN, average projected Detachment size and the projected average Detachment replacement rate. See Field 7 for more details.

40) Projected Total Expenditure (70%)

Column A (Field 39) at 70% cost share
(e.g. the PT amount projected to be owing in accordance with the Major Capital Plan)

41) Projected Major Capital Component of the Accommodations Program Charge at 70%

The Projected Total Expenditure (B) averaged over 5 years.

Calculation:

(Total of Field 40) / 5 = Field 41

TABLE D-2 - PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL MINOR CAPITAL

48) Projected Total Expenditure (100%) (A)

Using the procedure outline in Annex I, each building with a PT billable area is listed with its age and area in support of PT policing.

The building is aged for each of the 5 years. If the building is to be renovated/replaced under the Major Capital Program, the age is adjusted in the year of planned completion.

The age factor is determined for each building.

For each building, the age factor is multiplied by the replacement cost new and by the area. The RCN is inflated by 2% for years 2-5.

The total for each fiscal year is determined over the inventory and represented in column A.

An increase or decrease year over year of other than 2% is due to buildings changing age categories (e.g. age goes from 9 to 10 changes the building age rate from 0.5% to 1.0%, a replaced building is removed and the new building is added with the age and size changes in the affected fiscal year)

49) Projected Total Expenditure (70%) (A)

Column A (Field 48) at 70% cost share

50) Projected Minor Capital Component of the Accommodations Program Charge at 70% (C)

The Projected Total Expenditure (B) averaged over 5 years.

Calculation:

(Total of Field 49) / 5 = Field 50

TABLE D-3 - PROJECTED FIVE-YEAR BUDGETS FOR DIVISIONAL LIVING QUARTERS

The annual expenditures projected to be made by Canada (columns A1 + B1) was an agreed upon amount based on historical values and projected requirements. This is referred to as the base budget. The base budget is inflated for years 2-5.

51) Living Quarters Major Capital Projected Expenditure (A)

The amount of the base budget projected for major capital projects (replacements, major renovations, new demand). (Refer to Annex C-3, rationales D, E, F)

52) Living Quarters Minor Capital Projected Expenditure (B)

The remaining amount of the base budget not used for major capital projects.

(A1 + B1) = Base budget

53) Projected Living Quarters Component of the Accommodations Program Charge at 70% (C)

The five year average of the base budget at 70%.

Calculation:

(Field 51 (A2) + Field 52 (B2)) / 5

TABLE D-4 - TOTAL PROJECTED FIVE-YEAR BUDGETS FOR DIVISIONAL MAJOR CAPITAL, DIVISIONAL MINOR CAPITAL AND DIVISIONAL LIVING QUARTERS

The table represents the cumulative total of previous tables.

54) Projected Major Capital Expenditure (A)

Columns A & B (group of 8) or Columns A1 and A2 (NS, AB, SK) from Annex D-1

This is the formula based projected expenditure using the RCN, average projected size and replacement rate.

55) Projected Minor Capital Expenditure (B)

Columns A & B from Annex D-2

This is the formula based projected expenditure using the process outlined in Annex I.

56) Projected Living Quarters Expenditure (C)

Columns (A1 + B1) & (A2 + B2) from Annex D-3 (LQ Major capital plus LQ Minor capital at 100%)

57) Projected Accommodations Program Charge (D)

The sum of the Accommodations Program Charge columns from Annexes D-1, D-2 and D-3.

ANNEX "I"

This annex is used in the calculation of the Minor Capital budget for each of the five-year periods of the Agreement. The yearly amount is determined as follows:

- 1) Determine the age of each Building and divisional or regional headquarters buildings as of April 1 for each year of the five-year period. Each Building and divisional or regional headquarters buildings then has a five year age profile for the period being analyzed.
- 2) The Buildings and divisional or regional headquarters are categorized by their projected age (less than 10 years, 10 to 25 years, 25 to 40 years, and 40 years or older).
- 3) The square meters used by the Service in each age categories are added up for each year of the five-year period. These square meters do not include Living Quarters, space that the RCMP rents, space used by the RCMP for other purposes than the Service (including divisional administration), and space in the divisional or regional headquarters buildings that is not used by the Service as determined on a proportional basis to the total occupancy.
- 4) The total square meters in each age category for each year is multiplied by the Replacement Cost New (RCN) and 0.5% for the age category 0 to 10 years, 1% for 10 to 25 years, 1.5% for 25 to 40 years and 2.5% for 40 or more years.

The total amounts determined for each year of the five-year period are added together to create the five-year total and then divided by five to get the Minor Capital amount for the APC.

These calculations take into account projected work as part of the Major Capital plan. For example, if a Building that would be 40 years old in year 2 of the five-year period is anticipated to be replaced in that same year, then the 40 year old Building and its square meters used by the Force cease to be counted and the new building and its square meters used by the Force replace it in the calculations.

$$\begin{aligned} \text{Year } x = & (0.5\% \times RCN \times \text{Total sqm 0-10 years}) + (1\% \times RCN \times \text{Total sqm 10-25 years}) \\ & + (1.5\% \times RCN \times \text{Total sqm 25-40 years}) \\ & + (2.5\% \times RCN \times \text{Total sqm 40+years}) \end{aligned}$$

$$\text{Minor Capital portion of APC} = \frac{\text{Year 1} + \text{Year 2} + \text{Year 3} + \text{Year 4} + \text{Year 5}}{5}$$

ARTICLE 12: ACCOMMODATIONS PROGRAM – AB, NS, SK VERSION

Under the 2012 Police Service Agreements, there are two different accommodations models and therefore there are two versions of the Companion Document Article 12. This version is for Alberta, Nova Scotia and Saskatchewan. The other version, which precedes this section of the Companion Document, is for British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island, and Yukon.

PURPOSE

Article 12 describes the processes for sharing the costs of federally-owned accommodations used to support the PT Police Service. The purpose of the Article is to outline how these accommodations will be planned, budgeted, managed, reconciled and reported over the course of the Agreement with specific attention to the resulting Accommodation Program Charge (APC) and to the setting of five-year plans and budgets. The Article also sets out a high level process for operating and maintenance (O&M) plans for both federally-owned and federally-leased buildings.

BACKGROUND

As a result of the mutual desire of all parties to ensure the sustainability of federally-owned accommodations used by the Service and to enhance the management, the accommodations provisions under the 2012 Agreements are significantly different than previous Agreements.

This new article, considered to be transformational when compared to the last agreement, was negotiated and agreed upon as a result of a common desire to enhance the management of capital associated with contract policing accommodations. Specifically, it was developed to increase focus on such principles as sustainability, affordability and flexibility. This Article de facto replaces the rent-based model whereby \$107.64 per m² was charged for contract policing accommodations for which the RCMP did not pay rent.

This new article also introduces the concept and application of an APC which is based on five-year plans and budgets for Major Capital, Minor Capital and Living Quarters. The purpose of the APC is to normalize the required budgets over a five-year period in an effort to promote long-term real property planning and minimize budgetary ebbs and flows for federal and PT governments. Further, this Article introduces greater clarity on budgets dedicated to new construction, major renovations and on-going life-cycle

investments. When compared to the last agreement, it provides for the construction, major renovation and life-cycle requirements needs of living quarters while introducing a specific budget for life-cycle (minor capital) costs.

Last but not least, this Article introduces the means by which federal and PT governments will achieve a jointly-planned and flexible accommodations program, cost-shared at 70-30 with a high emphasis on consultation.

HISTORICAL CONTEXT

Under the 1992 Agreements, a rent-based model was employed, where PTs paid a flat/fixed rate of \$107.64 per square meter for space used by the Service in federally-owned buildings (excluding Living Quarters) for the duration of the Agreements. Under these Agreements, Canada was responsible for all construction costs, however during the life of the Agreements, the parties agreed that PTs would pay for minor repairs costing up to \$30,000 for accommodations and Living Quarters. For Living Quarters, Canada paid the construction and/or acquisition costs for federally-owned living quarters. For non-federally owned accommodations and Living Quarters, PTs paid a proportionate share of actual costs. Living Quarters, where provided, were charged to Members based on federal Treasury Board Policy. The overall amount payable by PTs for Living Quarters was reduced by the amount of revenue received by Canada from leased accommodations and rent paid by Members for Living Quarters at 100%.

The desire by PTs for more control and input on the accommodations program and the resulting fenced funding model of the 2012 Agreements was to ensure that monies contributed by PTs was invested back in their respective portfolio.

The 2012 Agreements introduced the APC model. The foundation of this model is partnership and accountability where PTs have a formal role in joint planning and budgeting of the accommodations program. Under the APC, the projected plans and budgets for Major and Minor Capital for both accommodations and Living Quarters are determined for a five year period, then divided by five to establish the annual contribution with escalation added annually. This approach addresses the joint RCMP and PT desire for long-term real property planning, minimizes budgetary changes from federal and PT governments, and fences PT contributions within their own jurisdiction.

Under the APC model, PTs are responsible for a proportionate share of the cost of capital construction and minor capital for all federally-owned accommodations and Living Quarters used to support the Service. The APC excludes O&M (for all accommodations, including federally-owned properties) as well as costs for leased accommodations (e.g., private, municipal, etc.) used by the Service.

While O&M and lease costs are not included in the APC, they are addressed under Article 11. It is recognized that from the PT's perspective, all accommodations, both

federally-owned and non-federally owned used to support the the Service is viewed as one cohesive portfolio.

INTERPRETATION

GOVERNING PRINCIPLES

Subarticle 12.1

The Parties agree to establish an accommodations program of works based on the following principles:

a) sustainability of the program in all provinces and territories with which Canada has an agreement similar to this Agreement;

A sustainable accommodations program is one that supports operational requirements, while still meeting the short and long term stewardship obligations related to real property. Sustainability also refers to the life cycle management needs of the accommodations portfolios and the financial investment decisions required to support them.

ADMINISTRATION

Sustainability will be managed through the accommodations program review to be conducted by the RCMP in consultation with each PT. Annually, the RCMP may provide the PT with any of the following documents to support sustainability:

- Variance Analysis – analysis of the progress/status of each accommodations program component (Major Capital, Minor Capital and Living Quarters) against the negotiated investment and the ongoing requirements identified in the Building Management Plans (BMPs);
- Age Analysis – analysis of the impact the negotiated investment on the average age of the Detachment portfolio; and Confirmation and/or amendment to the investment level based on the variance or age analysis noted above.

Based on the above analysis, the RCMP will provide recommendations to its Corporate Management, the CO and the PT regarding the delivery of the accommodations program, potential amendment to the investment level or transfer of funds in accordance with Article 12.12.

Paragraph 12.1(b)

providing for a transition to a program that is based on sharing of actual costs;

INTERPRETATION

This amortized model is modeled on a transition from the rent-based \$107.64/m² under

the previous agreement to a 70/30 sharing of actual costs.

Paragraph 12.1(c)

affordability of the program to both Parties;

INTERPRETATION

An affordable program considers the most economical option as well as the financial means of the Federal and Provincial government while at the same time ensuring compliance with applicable legislation, policy and operational requirements.

Paragraph 12.1(d)

increasing accountability and transparency by institutionalizing the practices of joint planning and regular reporting;

INTERPRETATION

Accountability and transparency will be achieved through joint planning, budgeting and regular reporting at the divisional and national levels.

ADMINISTRATION

Annual accommodations program updates will be provided to the PT by RCMP quarterly for the first three quarters of the fiscal year and monthly for the last quarter of the fiscal year.

Paragraph 12.1(e)

providing a flexible program that is responsive to the particular needs of the Province; and

INTERPRETATION

A flexible program is one that can be modified or adapted to meet the needs of all parties. Flexibility can include, but is not limited to, in-year adjustments to the accommodations program through fund transfers between accommodations program /budgets or amendments to plan priorities.

ADMINISTRATION

Ongoing communication between COs, Corporate Management and the PT will inform decisions to apply “flexibility” and approve amendments to the accommodations program components. Any amendments that could potentially compromise other principles noted above will be scrutinized and challenged to the satisfaction of all parties.

Paragraph 12.1(f)

using the monies paid by the Province under the Accommodations Program Charge to support the accommodations program in the Province.

INTERPRETATION

All funding provided through the APC will be spent on Major Capital, Minor Capital and Living Quarters as jointly agreed to in the respective five-year plans. This will be confirmed by the administrative annual reconciliation and formal five-year reconciliation.

ADMINISTRATION

An administrative annual reconciliation report will be provided to the PT to provide an update on the accommodations program delivered for the investment made by the jurisdiction.

The formal five year reconciliation will be managed in accordance with the interpretation and administration identified in subarticle 12.15.

GENERAL ADMINISTRATION FOR SUBARTICLE 12.1

The responsibility for costs for environmental assessments and contamination remediation as O&M expenditures is currently under discussion among CMC members. The CMC is examining the conditions under which assessments are undertaken and the typical causes of contamination. This section will be amended once a decision has been made.

- 12.2 Accommodations supplied by Canada for use by the Provincial Police Service will be of a standard that is necessary for the Service to carry out its responsibilities under this Agreement.**
- 12.3 Under the accommodations program of works Canada agrees to maintain, renovate, replace or increase the number of Buildings and Living Quarters in accordance with the Divisional Major Capital Plan, the Divisional Minor Capital Plan, and the Divisional Living Quarters Plan.**
- 12.4 The Province will pay to Canada an amount equal to 70 per cent of the total expenditures made by Canada in respect of the obligation described in subarticle 12.3, except those expenditures made by Canada in respect of acquiring land. Such payments are to be made in accordance with this Article.**
- 12.5 Canada, in carrying out its responsibilities under this Article, will do so in accordance with applicable laws and in accordance with its own legislation, regulations, policies, practices, procedures, and directives of the Treasury Board of Canada.**

INTERPRETATION

All facilities will be maintained in accordance with applicable federal and jurisdictional policies and standards to ensure operational functionality is achieved. This includes capital investments identified in the accommodations program.

More specifically, Canada will maintain:

- any building, structure, improvement and other fixture on, above or below the surface of the land (i.e., Building);
- divisional or regional headquarters; and
- any dormitory, room in residence, apartment, house or other living space that is not part of a Detachment building (i.e., Living Quarters).

Canada will maintain, Renovate and construct or increase Buildings and Living Quarters used to support the Service. This includes increasing the number of Buildings and/or Living Quarters, if required. Subject to paragraph 8.1(a), the number and location of Detachments will be determined by agreement between the Provincial Minister and the CO.

Canada is responsible for maintaining and supplying all federally-owned and federally-leased buildings used by the Service, to a standard necessary for the Service to carry out its responsibilities under the Agreement. This will be done in accordance with applicable laws and Canada's own policies, regulations, practices, procedures, standards, and directives from the Treasury Board of Canada. PT legislation and standards will be factored in where applicable. Maintenance includes Buildings, divisional or regional headquarters buildings (see Note below) and Living Quarters. The work undertaken by Canada will be in accordance with the Projected Five-Year Accommodations Plans and Budgets.

Canada will also Renovate, construct or replace the number of Buildings or Living Quarters according to the Projected Five-Year Accommodations Plans. Canada will carry out these responsibilities ensuring that the consultations and approvals outlined in this Article occur at the appropriate times.

The PT is responsible for 70% of their proportionate share of the expenditures made by Canada, excluding the cost of acquiring land (which is 100% federal responsibility).

Note: As per subarticle 12.6 and paragraph 8.2(b), if a new divisional or regional headquarters buildings is required during the term of the Agreement (or an existing divisional or regional headquarters building requires Renovation), all financial terms and conditions of the project will be dealt with in a separate agreement. Alternatively, it may be agreed by the Federal and Provincial Ministers some or all of these costs be included in the Agreement through an adjustment to the Accommodations Program Charge. This requires the Agreement to be amended as per Article 25, and the costs to be tracked separately as a line-item.

ADMINISTRATION

The accommodations program components (Major Capital, Minor Capital, Living Quarters) will be developed based on the principles noted above, including ongoing consultation with Divisional and Provincial representatives. These will be communicated and finalized through the annual review process noted in 12.1 (a)

12.6 The Parties agree that:

a) any requirement to renovate, replace or acquire new divisional or regional headquarter buildings will be by means of a separate agreement; and

b) subject to the written agreement of the Federal Minister, any costs that are agreed to be shared in respect of those headquarter buildings may be included in this Agreement through an adjustment to the Accommodations Program Charge to be tracked as a line-item and to be made by amendment in accordance with Article 25.

INTERPRETATION

The Renovation, replacement or acquisition of a new divisional or regional headquarters building will be through a separate agreement between Canada and the PT. Canada will consult the PT Minister and obtain approval on all terms and conditions of the project during the planning phase and prior to the beginning of the Renovations, demolition or construction.

Subject to written agreement by the PT Minister and the Federal Minister, costs that are agreed to be shared can be included in the Accommodations Program Charge through and adjustment, to be tracked as a line-item.

ADMINISTRATION

Proposals will be managed as Major Capital projects and require written approval from all parties prior to the advancement of the project and/or stages within the project.

Canada will obtain approval from the PT Minister, during the planning phase, on all financial terms and conditions of the project, including the projected size of the building and improvements. This will ensure that the proposed building and improvements are appropriate and proportionate to the anticipated demands on, and uses of, the Police Service's portion of the divisional or regional headquarters building.

A separate written agreement will be prepared between Canada and the PT outlining the costs to be shared (reflective of Police Service Agreement cost-sharing principles), and any other conditions agreed to. These shared costs may be included in the Accommodations Program Charge if agreed to by Canada and the PT. Inclusion of the shared costs in the Accommodations Program Charge will be made through an amendment of the Agreement as per Article 25.

12.7 *It is agreed that if there is a requirement for works under the accommodations program that are greater than the RCMP can reasonably undertake as based on the Province's payment under the Accommodations Program Charge in accordance with subarticle 12.18, then:*

a) subject to the approval of the Federal Minister and the Provincial Minister, there will be an increase made to the Accommodations Program Charge in order to account for the increase in projected costs; or

b) the terms and conditions under which the works would be undertaken will be subject to a separate agreement and that the cost share established in subarticle 12.4 will apply.

INTERPRETATION

If there is a requirement for works under the accommodations program that are greater than the RCMP can reasonably undertake based on the Accommodations Program Charge in accordance with subarticle 12.18, then

- a. subject to the approval of the Ministers, there will be an increase made to the Accommodations Program Charge; or
- b. the terms and conditions under which the works would be undertaken will be subject to a separate agreement and the cost share established in subarticle 12.4.

12.8 *Despite any payments made by the Province under this Agreement, there shall be no transfer, granting or creation of any interest in real property or a license, as those terms are defined in the Federal Real Property and Federal Immovables Act, from Canada in favour of the Province. All of the real property that is held, acquired, used or administered by Canada to provide and maintain the Provincial Police Service shall remain at all times the sole property of Canada. For greater certainty, Canada and the Province agree that no real property interest whatsoever, or a licence are acquired, created or implied by this Agreement.*

INTERPRETATION

Despite any payments made by the PT under this Agreement, all of the real property that is held, acquired, used or administered by Canada to provide and maintain the Provincial Police Services will remain the sole property of Canada.

SETTING OF THE PROJECTED PLANS AND BUDGETS

12.9 *The Plans for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters for the Provincial Police Service are to be determined for each Fiscal Year by the RCMP in consultation with the Provincial Minister, and such plans are to address standards and designs.*

INTERPRETATION

Every five years, the Commissioner and the Provincial Minister will jointly identify the projects to be undertaken each year of the following five-year period for Major Capital, Minor Capital and Living Quarters. In practice at the present time, the size of the portfolio makes it impractical to set the plans for Minor Capital and Living Quarters for five year periods. As such, the plans for Minor Capital and Living Quarters are jointly developed on a yearly basis between the parties. Major Capital reflects a pre-determined commitment to a specified average rate of Detachment builds per year for the five year period (including average size per build and average cost per square meter). As the project planning progresses, these average parameters are refined and more substantive space estimates are included in the five-year plan.

These plans provide basic information about each planned project, including cost estimates. These estimates are based on the best information available at the time the plans are prepared.

The five-year plans are jointly developed between Canada and the PT and while the plans are primarily finance focused and do not include specifics related to the standards or designs for real property, the implementation of these plans addresses all standards associated legislation (e.g., National Building Code) and policy requirements (e.g., Treasury Board of Canada) as well as operational standards currently outlined in documents such as the RCMP Property Management Manual. The plans will also reflect standardized designs when available or where suitable to do so.

ADMINISTRATION

In accordance with the principle of accountability and transparency noted above and as part of the joint planning process, information pertaining to standards and designs will be shared with PTs, so they are informed of the potential impacts to the respective programs.

A Request for New or Improved Accommodations (Form 1911) is completed and approved by the CO. This form provides initial rationale, projected future establishment and cell usage in the proposed Detachment area. This information is then provided to Corporate Management who will consult with the PT then initiate the project, further develop the functional requirements and develop a more substantive space estimate. The size and space estimates for each project will respect the principles of accountability and transparency, and will include consultation.

12.10 The Projected Budgets for Divisional Major Capital, the Divisional Minor Capital, and the Divisional Living Quarters for the Provincial Police Service are to be determined for each Fiscal Year by the RCMP in consultation with the Provincial Minister.

INTERPRETATION

As mutually agreed, once the projected five-year budgets have been set by way of an approved APC, this budget shall be deemed valid for the five-year period and funded within the Provincial budget cap. Any increases in funding will be considered supplemental.

The Projected Divisional Five-Year Budgets (Budgets) for Major Capital, Minor Capital and Living Quarters are determined for each fiscal year of the five-year period between the Commissioner and the Provincial Minister.

The Accommodations Program Charge is the amount paid yearly by a PT to Canada for its share of the total expenditures made by Canada for Divisional Major Capital, Divisional Minor Capital and Divisional Living Quarters. The Accommodations Program Charge is established by adding together the projected total financial commitment set out in each of the Projected Five-Year Budgets for Divisional Major Capital, Divisional Minor Capital and Divisional Living Quarters and dividing by five with escalation added annually.

$$APC = \frac{\text{Major Cap 5 yr budget} + \text{Minor Cap 5 yr budget} + \text{Living Quarters 5 yr budget}}{5}$$

The Accommodations Program Charge is set for the following five year periods:

- April 1, 2012 to March 31, 2017
- April 1, 2017 to March 31, 2022
- April 1, 2022 to March 31, 2027
- April 1, 2027 to March 31, 2032

ADMINISTRATION

The next Five-Year Budgets will be determined jointly between the parties, leading up to the following 5 year period. Formulas to assist in determining the Major Capital, Minor Capital and Living Quarters Programs are included in the Annex C and D Template Guideline.

Building Condition Reports and other related documents are used in the prioritization of projects within the accommodations programs. Canada will provide these to the PT as part of the joint setting of the plans and budgets when available.

12.11 It is agreed that:

- a) each plan established under subarticle 12.9 will be recorded in Annex 'C' of this Agreement; and**

b) each Projected Budget established under subarticle 12.10 will be recorded in Annex 'D' of this Agreement.

INTERPRETATION

The Projected Five-Year Plans and Budgets (for Divisional Major Capital, Divisional Minor Capital and Divisional Living Quarters, for the period April 1, 2012 to March 31, 2017) are recorded respectively in Annex "C" and Annex "D" of the Agreement. The projected five-year budgets are in Annex D. These budgets will be updated as required if the RCMP or PT transfers any monies between accommodations program components per Article 12.12 (a), or identifies supplemental funding.

ADMINISTRATION

Projected Five-Year Plans and Budgets (for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters, for each of the five-year periods: April 1, 2017 to March 31, 2022, April 1, 2022 to March 31, 2027, April 1, 2027 to March 31, 2032) will be recorded respectively in updates to Annex "C" and Annex "D".

MOVEMENT OF MONIES BETWEEN BUDGETS

Subarticle 12.12

a) It is agreed that monies paid under the Accommodations Program Charge in respect of the Projected Budgets for Divisional Major Capital, the Divisional Minor Capital, and the Divisional Living Quarters may be transferred by the RCMP between those budgets in any Fiscal Year, up to a maximum of 20 per cent of the originating budget without prior approval and the transfer may also include amounts above 20 per cent with the prior written approval of the Provincial Minister.

b) If monies amounting to a cumulative total of less than 20 per cent are moved, the RCMP will notify the Province as soon as practicable.

INTERPRETATION

Flexibility of the funding model is required to ensure the sustainability of the various accommodations program components. Monies may be transferred between accommodations program components to meet operational priorities and the principle of sustainability.

The RCMP can, without prior approval, transfer up to 20% of the monies in any Fiscal Year between accommodations program components (Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters). This 20% is calculated from the originating budget. For example, if the Minor Capital budget is \$1,000,000 per Fiscal Year, then a maximum of \$200,000 per year could be moved to another program. A movement of funds of more than 20% of the originating budget can take place if the Provincial Minister has provided written approval prior to the movement of funds. If a

movement of funds of less than 20% of the originating budget occurs, the RCMP will notify the PT as soon as possible.

ADMINISTRATION

The requirement for transfer of monies between programs will be identified through the accommodations program review as outlined in 12.1 (a) above. Recommended transfers less than 20% will be communicated to all Annex signatories and approved informally through the provision of Annex C & D with the transfers highlighted. Recommended transfers greater than 20% will require a formal sign-off of the revised Annex C & D upon completion of the consultation process and sustainability analysis.

Transfer of funds between budgets will be done through the annual Annex C & D joint planning process or through consultation if the transfer of funds is required at any other time. Both the RCMP and the PT can raise the need to transfer funds from one budget to another. Transfers of less than 20% of the originating budget will be communicated to the PT as soon as possible (via e-mail notification within 15 days of the transfer) and through updates of Annex "C" & "D" with the transfers highlighted (via e-mail on a quarterly basis). Transfers of more than 20% of the originating budget require a prior written approval (via letter) from the Provincial Minister. Once approval has been received, the updated Annex "C" & "D" will be communicated to the PT with the transfers highlighted (via e-mail within 15 days of the approval).

SETTING OF THE ACCOMMODATIONS PROGRAM CHARGE

The Accommodations Program Charge for Fiscal Year 2012-2013

12.13 The Accommodations Program Charge for the Fiscal Year beginning April 1, 2012 is \$_____.

ADJUSTMENT TO THE ACCOMMODATIONS PROGRAM CHARGE FOR NB-CPI

Subarticle 12.14

a) Each Accommodations Program Charge established under this Agreement, other than those Accommodations Program Charges established in respect of the Fiscal Years beginning April 1, 2017, April 1, 2022, and April 1, 2027, will be adjusted, as calculated in accordance with paragraph (b), in the next following Fiscal Year to establish a new Accommodations Program Charge to be applicable to that next following Fiscal Year.

b) The adjustment to each Accommodations Program Charge is to be calculated on the basis of any change during the immediately preceding Fiscal Year in the Non-residential Building Construction Price Index (NB-CPI), and the adjustment is to be made immediately following when that change becomes known.

c) For the purposes of paragraph (b), the applicable NB-CPI will be that determined by Statistics Canada in respect of the City of **, or any other NB-CPI determined for a

jurisdiction that may reasonably be substituted for the Province that may be agreed to in writing, from time to time, between the Parties.

INTERPRETATION

The Accommodations Program Charge is recorded in Annex “D” and under Article 12.13 for the 2012-2013 Fiscal Year only. The APC will be adjusted annually by the previous year’s Non-residential Building Construction Price Index (NB-CPI).

ADMINISTRATION

The Accommodations Program Charge for the remaining fiscal years of the Agreement will be updated annually and recorded in the updated Annex “D”, but not under 12.13 of this Agreement.

The APC for Alberta and Saskatchewan will be adjusted by the NB-CPI for Calgary and the APC for Nova Scotia will be adjusted by the NB-CPI for Halifax. The NB-CPI figures for the previous year are usually available in February of the following year.

FIVE-YEAR RECONCILIATION

Subarticle 12.15

a) During the Fiscal Years beginning April 1, 2016, April 1, 2021 and April 1, 2026 respectively, there will be a Five-Year Reconciliation undertaken and completed by the Parties.

b) The results of each Five-Year Reconciliation will inform the setting of the projected plans and budgets determined under subarticle 12.9 and subarticle 12.10 in respect of each next following Fiscal Year.

c) As part of each Five-Year Reconciliation the RCMP will:

i) determine the aggregate of expenditures made by Canada in respect of the accommodations program of works undertaken in accordance with this article during the previous Fiscal Years of this Agreement;

ii) determine the aggregate of payments by the Province made under paragraph 12.18 during the previous Fiscal Years of this Agreement;

iii) determine, in consultation with the Provincial Minister, what changes, if any, should be made to the Plans for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters to either increase or decrease the pace of the accommodations program undertaken;

A) for greater certainty, the Parties agree that in no event will a decrease in the pace of the works undertaken in respect of the accommodations program be made if such a decrease will affect the sustainability of the program;

iv) determine, in consultation with the Provincial Minister, what changes, if any, should be made to the Projected Budgets for Divisional Major Capital, the Divisional Minor Capital, and the Divisional Living Quarters to either increase or decrease the Accommodations Program Charge in respect of the Fiscal Years to begin April 1, 2017, April 1, 2022, and April 1, 2027;

A) for greater certainty, the Parties agree that in no event will a decrease to the Accommodations Program Charge be made if the decrease will affect the sustainability of the accommodations program.

SETTING THE ACCOMMODATIONS PROGRAM CHARGE FOLLOWING THE FIVE-YEAR RECONCILIATION

12.16 Following the Five-Year Reconciliation described in subarticle 12.15, an Accommodations Program Charge in respect of the Fiscal Years beginning April 1, 2017, April 1, 2022, and April 1, 2027 will be established by adding the projected total financial commitment set out in each of the Divisional Major Capital Projected Budget, the Divisional Minor Capital Projected Budget and the Divisional Living Quarters Projected Budget in respect of each of those Fiscal Years respectively.

INTERPRETATION

In April of the last year of the five-year period²⁷, the PT and RCMP asset management will meet to review the progress of the accommodations program and realistic expectations regarding the program meeting its target budget. The PT and RCMP asset management will meet in the fall for planning sessions to jointly determine the following five-year plans and budgets for Major Capital, Minor Capital and Living Quarters, as well as the five-year O&M plan. The five-year reconciliation will be used to inform the budgets for the following five-year period.

An initial priority list for Major Capital projects is developed by the RCMP based on an analysis of the real property portfolio which includes consultation with RCMP operational senior management, PT representatives and Corporate Management subject matter experts. This initial priority list is then refined at the fall planning session between the PT and RCMP asset management, resulting in the Major Capital plan and budget for the following five-year period.

The Minor Capital and Living Quarters plans and budgets are jointly determined at the fall planning session. The Minor Capital budget is determined in accordance with Annex "I" while the Living Quarters budget is jointly determined between the PT and RCMP asset management, taking into account the results of the five-year reconciliation for the previous five-year period. The plans for both Minor Capital and Living Quarters are

²⁷ This decision is recorded in the CMC Record of Decision for the November 6-7, 2012 meeting.

jointly determined based on prioritization of the projects for the jurisdiction. This prioritization will take into account operational objectives, operational functionality, legislative and code compliance, health and safety, asset suitability, asset condition and portfolio sustainability, as well as project requests based on operational priorities (i.e., new house for an additional member in an isolated post community) or value for money initiatives (i.e., betterments).

ADMINISTRATION

The Five-Year reconciliation will be utilized in setting the following Five-Year Plans and Budgets, and as such it must be completed prior to the setting of those Plans and Budgets. At the time the Five-Year reconciliation is to be initiated, actual expenditures/payments for the previous Five-Year period will not be known.

On or around April 1 of 2016, 2021 and 2026, the RCMP will initiate the Five-Year reconciliation. This reconciliation will use a combination of the actual expenditures that are known at the time for the previous years of the five-year period and a forecast of the expenditures not yet processed for the previous years and the current year of the five-year period.

The resulting total expenditures (at 70%) for the five-year period are then compared to the payments made (and projected to be made for the final year of the five-year period) by the PT to Canada under the APC. The variance between the total expenditures (at 70%) projected to be made for the five-year period and the total projected APC payment is calculated. This variance (over or under payment by the PT for the five-year period) is then used by the PT and Canada to determine the next five-year plans and budgets. The reconciliation will be provided by e-mail to the PT by June 30 of that year.

$$\text{Variance} = \text{Total APC payments} - (70\% \times \text{Total Expenditures})$$

Following each Five-Year Reconciliation, a new Accommodations Program Charge will be established for the following five year periods:

- April 1, 2017 to March 31, 2022
- April 1, 2022 to March 31, 2027
- April 1, 2027 to March 31, 2032

The Accommodations Program Charge will be set by adding the projected total financial commitment set out in each of the the Projected Five-Year Budgets for Divisional Major Capital, Divisional Minor Capital, and Divisional Living Quarters for the upcoming five year period, as well as the carryover from the Five-Year Reconciliation for the previous five year period (positive or negative), and dividing the total by five.

PAYMENTS BY THE PT

12.17 Expenditures made by Canada for the accommodations program in respect of:

- a) acquiring, constructing or renovating a Building,**
- b) Minor Capital, and**
- c) Living Quarters**

that are not included in the direct costs of the Service under subparagraph 11.2(a)(iii) in any Fiscal Year will be paid for by the Province as follows.

UNDER THE ACCOMMODATIONS PROGRAM CHARGE

12.18 In each Fiscal Year during the term of this Agreement, the Province will pay an amount equal to the applicable Accommodations Program Charge for that Fiscal Year.

SCHEDULE OF PAYMENTS UNDER ANNEX 'E' – REDUCTION OF DEFERRED AMOUNTS OTHERWISE OWING

12.19 The Province will make payments each Fiscal Year in accordance with the attached schedule of payments set out in Annex 'E' towards the deferred amount projected to be left owing at the end of the term of this Agreement.

12.20 The Parties agree that the schedule of payments in Annex 'E' is to be formulated so as:

- a) to require the Province to pay, as of March 31, 2032, 70 per cent of the total expenditures projected to be made by Canada in respect of the obligation described in sub-article 12.3 during that Fiscal Year; and**
- b) to minimize or eliminate the deferred amount projected to be left owing by the Province at the end of this agreement.**
 - i) For greater certainty, the amount to be paid in accordance with Annex 'E' and credited under subarticle 12.22 together with the amount paid under the Accommodations Program Charge in respect of buildings used as Detachments will be used to determine if the Province is projected to be paying 70 per cent of the aforementioned expenditures as of March 31, 2032.**

REVISIONS TO THE SCHEDULE OF PAYMENTS FOLLOWING EACH FIVE-YEAR RECONCILIATION

12.21 If, following the completion of a Five-Year Reconciliation, it is determined that the scheduled payments are no longer projected to result in the Province paying, as of March 31, 2032, 70 per cent of the total expenditures, the Province agrees that the schedule of payments in Annex E' will be revised in each next following Fiscal Year to re-establish a schedule of payments that is projected to result in the Province paying, as of March 31, 2032, 70 per cent of the expenditures projected to be made by Canada in respect of the obligation described in subarticle 12.3 in that Fiscal Year.

INTERPRETATION

For the Major Capital Program, the Accommodations Program Charge will include an amount calculated in accordance with Annex “E”. A list of column descriptors is included with Annex “E”, explaining the accelerated payments, the deferred amounts, the acceleration percentage credit, and projected provincial payments. The contract jurisdictions will make payments each Fiscal Year in accordance with the schedule of payments set out in Annex “E” which includes an accelerated component towards the deferred amount otherwise left owing at the end of the term of this Agreement.

ADMINISTRATION

The schedule of payments detailed in Annex “E” will be revised after the five-year period, if it is determined that the scheduled payments are no longer projected to result in the contract jurisdiction paying, as of March 31, 2032, its 70 per cent cost share of the total expenditures (or the rate of builds accelerated or decelerated as required based on average builds achieved to date).

CREDIT FOR THE PRESENT VALUE OF MONIES PAID TOWARDS DEFERRED AMOUNTS OTHERWISE OWING

Subarticle 12.22

- a) Every dollar (\$1) paid in accordance with the schedule in Annex ‘E’ will be a credit towards the amount left owing at the end of this Agreement to be paid in accordance with subarticle 12.25 as if each dollar were a dollar plus an amount equal to the percentage of increase in value to be applied to every dollar (\$1) paid during that Fiscal Year as identified in column ‘F’ of Annex ‘E’.*
- b) In no event will the percentage of increase in value identified in column ‘F’ of Annex ‘E’ be subject to further review.*

Subarticle 12.23

- a) Despite paragraph 12.22(a), if the Province fails to make any payment due in accordance with the schedule in Annex ‘E’ the aggregate of any payments made prior to that time will be treated as if they were payments made during the Fiscal Year in which the failure to make a scheduled payment occurs and each dollar will be credited as if it were a dollar plus an amount equal to the percentage of increase in value to be applied to every dollar (\$1) paid during the Fiscal Year of that failure as identified in column ‘F’ of Annex ‘E’; and*
- b) following any such failure, subject to the prior agreement of the Federal Minister in writing, the Province may resume making payments in accordance with the schedule in Annex ‘E’.*

INTERPRETATION

For every dollar paid in accordance with the schedule of payments in Annex “E” towards the deferred amount otherwise left owing at the end of this Agreement, there will be a

credit equal to the percentage increase in value to be applied to every such dollar paid during that fiscal year, as identified in column “F” (acceleration percentage credit) of Annex “E”. The percentage of increase in value identified in column “F” of Annex “E” will not be subject to further review for the term of this Agreement.

If a contract jurisdiction fails to make a payment (in any fiscal year) that is due in accordance with the schedule in Annex E, it will forfeit the related discount or credit towards the deferred amount left owing for that fiscal year as identified in column F; however, the aggregate of payments made prior to that time will be treated as if they were made in the fiscal year the failure occurred and the discount or credit for that year will be applied. Following any such failure, subject to prior agreement of the Federal Minister, the contract jurisdiction may resume making payments in accordance with the schedule in Annex E.

ADDITIONAL LUMP SUM PAYMENTS TOWARDS THE REDUCTION OF DEFERRED AMOUNTS OTHERWISE OWING

12.24 In addition to the payments to be made in accordance with Annex ‘E’, in any Fiscal Year if the Federal Minister and the Provincial Minister so agree, the Province may make additional payments towards the deferred amount projected to be left owing at the end of the term of this Agreement.

Subject to paragraphs (a) and (b), the terms of and timing of additional payments are to be agreed to in writing between the Parties.

a) If the Province has made each payment scheduled in Annex ‘E’, then every dollar (\$1) paid under this subarticle will be a credit towards the amount left owing as if each dollar were a dollar plus an amount equal to the percentage of increase in value to be applied to every dollar (\$1) paid during that Fiscal Year as identified in column ‘F’ of Annex ‘E’.

b) If the Province has not made each payment scheduled in Annex ‘E’, then every dollar (\$1) paid under this subarticle will be a credit towards the amount left owing as if every dollar were a dollar (\$1).

INTERPRETATION

The contract jurisdictions have the option, if the Federal and Provincial Ministers agree, to make additional payments in any particular year(s) towards the deferred amount. For every dollar paid in accordance with the schedule of payments in Annex “E” towards the deferred amount otherwise left owing at the end of this Agreement, there will be a credit equal to the percentage increase in value to be applied to every such dollar paid during that fiscal year, as identified in column “F” (acceleration percentage credit) of Annex “E”. The percentage of increase in value identified in column “F” of Annex “E” will not be subject to further review for the term of this Agreement. Annual updates to Annex E may be required to reflect the impact of additional lump sum payments.

ADMINISTRATION

Additional lump sum payments will be agreed to in writing between the parties.

PAYMENT OF THE DEFERRED AMOUNT LEFT OWING AT THE END OF THIS AGREEMENT

12.25 *At the end of the term of this Agreement or at the termination of this Agreement, The Province will pay to Canada the total amount that it owes in respect of the expenditures made by Canada for the accommodations program provided by Canada in respect of the obligation described in subarticle 12.3 that are to be shared by the Province under subarticle 12.4, and*

a) payment is to be made no later than 180 days following the receipt of an invoice from Canada for that amount;

b) the amount that remains owing by the Province is to be calculated in accordance with subarticle 12.26.

INTERPRETATION

At the end of the term of this Agreement or at termination of this Agreement, the contract jurisdiction will pay to Canada the total amount left owing in respect of the expenditures made by Canada for the accommodations program (payment is to be made 180 days following receipt of an invoice from Canada).

CALCULATION OF THE DEFERRED AMOUNT LEFT OWING AT THE END OF THIS AGREEMENT

12.26 *The total amount owing by the Province under subarticle 12.25 is to be calculated by:*

a) determining the aggregate of expenditures made by Canada in respect of the obligation described in subarticle 12.3 during the life of this Agreement, and subtracting from that aggregate:

i) the aggregate of payments by the Province made under paragraph 12.18 during that same period, together with

ii) the total amount of the credit determined in accordance with subarticles 12.22, 12.23, and 12.24.

b) any expenditure made by Canada for which the Province has already paid its share by including that share of the direct costs of the Service during any Fiscal Year by operation of subparagraph 11.2(a)(iii) will not be included when determining the aggregate of expenditures made by Canada; and

c) the payments made by the Province under subparagraph 11.2(a)(iii) will not be included when determining the aggregate of payments made by the Province.

12.27 In no event will the credit determined under subarticles 12.22, 12.23, and 12.24 result in an amount becoming owing to the Province as a result of the calculation described in subarticle 12.26.

INTERPRETATION

At the end of the term of this Agreement or at termination of this Agreement, the total amount owing is calculated by determining the aggregate of expenditures made by Canada during the life of this Agreement, and subtracting from that the aggregate of payments made by the contract jurisdiction during the same period, together with the total amount of credits determined for the present value of monies paid towards the deferred amounts.

SURVIVAL OF PAYMENT OBLIGATIONS

12.28 Despite any other provision of this Agreement, the amount owed under paragraph 12.25 will survive the expiration or termination of this Agreement until it is paid in its entirety.

INTERPRETATION

Despite any other provision, any amount owed by the PT or Canada under this Article will remain payable beyond the expiration or termination of this Agreement.

REPORTING AND ACCOUNTABILITY

12.29 The Parties acknowledge that the reporting and accountability in respect of the accommodations program are included in such provisions as:

- a) the consultation, planning, and reporting undertaken in respect of the setting of the plans and budgets described in subarticles 12.9 and 12.10;**
- b) the consultation and reporting undertaken in the Five-Year Reconciliation described in subarticle 12.15;**
- c) the planning and reporting described in Article 18 (Financial Planning and Reporting);**
- d) the ability to undertake bilateral reviews under Article 20; and**
- e) the reporting and accountability provisions of Article 21 (Contract Management Committee).**

INTERPRETATION

This clause further emphasizes the governing principles of accountability and transparency by institutionalizing the practices of joint planning and regular reporting.

ANNEX 'C': PLANS FOR DIVISIONAL MAJOR CAPITAL, MINOR CAPITAL AND LIVING QUARTERS

TABLE C-1

Projected Five-Year Plan for Divisional Major Capital

PROVINCE OF _____ PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL MAJOR CAPITAL												
NUMBER OF DETACHMENTS IN DIVISION: xx (1)				FISCAL YEARS 2012–2013 to 2016-2017								
TOTAL ANNUAL MAJOR CAPITAL ACCOMMODATION PROGRAM CHARGE (\$)				MAJOR CAPITAL PLAN AS AT: April 23, 2013								
\$ 0,000,000 (@100%), \$0,000,000 (@70%) (2)												
PROJECTED REPLACEMENT COST NEW:		\$6,000 (2012) \$6,495 (2016)		ACTUAL REPLACEMENT COST NEW:		\$7,971						
(3)				(8)								
PROJECTED AVERAGE DETACHMENT REPLACEMENT RATE TARGET		ANNUAL: 0.00	5-YR: 0.00	ACTUAL DETACHMENT REPLACEMENT RATE:		ANNUAL: 0.0			5-YR: 0.0			
(4)				(9)								
DIVISIONAL DETACHMENT AVERAGE AGE (2012)		33.4		ACTUAL DIVISIONAL AVERAGE AGE:		@ 5 YRS:	37.7	@ 20 YRS:	50.6			
(5)				(10)								
PROJECTED AVERAGE SIZE (M2 G)		500		ACTUAL AVERAGE SIZE (M2G):		798						
(6)				(11)								
PROJECTED DIVISIONAL MAJOR CAPITAL (100%)				ACTUAL DIVISIONAL MAJOR CAPITAL (100%)								
(7)				(12)								
2012-2013		\$0,000,000		2012-2013		\$0,000,000						
2013-2014		\$0,000,000		2013-2014		\$0,000,000						
2014-2015		\$0,000,000		2014-2015		\$0,000,000						
2015-2016		\$0,000,000		2015-2016		\$0,000,000						
2016-2017		\$0,000,000		2016-2017		\$0,000,000						
5-YEAR TOTAL (100%)		\$00,000,000		5-YEAR TOTAL (100%)		\$00,000,000						
DETACHMENT DETAILS (13)				PROJECT DETAILS (13)		M2 G (13)		PROJECTED COSTS (13)		MILESTONES (13)		
PROJECT ID	LOCATION	BUILDING CODE	CURRENT AGE (2012)	TYPE A REPLACEMENT TYPE B RENOVATION	= =	RATIONALE	CURRENT	PROJECTED	PROJECTED REPLACEMENT COST NEW	TOTAL ESTIMATED COSTS (\$)	START	END
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	

TABLE C-2**Projected Five-Year Plan for Divisional Minor Capital**

PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL MINOR CAPITAL								
PROVINCE OF _____			FISCAL YEARS 2012–2013 to 2016-2017					
TOTAL BUDGET (100%):			\$0,000,000 (14)					
PROJECT ID	LOCATION	BUILDING CODE	DESCRIPTION	PROJECT PRIORITY	START	END	BUDGET (\$)	RATIONALE A: PLANNED LIFE-CYCLE B: COST SAVINGS INITIATIVE C: BULK LIFE-CYCLE
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL MINOR CAPITAL							\$0,000,000 (24)	
VARIANCE (PLANNED-ACTUALS)							\$0,000 (25)	

TABLE C-3**Projected Five-Year Plan for Divisional Living Quarters**

PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL LIVING QUARTERS								
PROVINCE OF _____			FISCAL YEARS 2012–2013 to 2016-2017					
TOTAL BUDGET (100%): \$000,000 (26)								
PROJECT ID	LOCATION	BUILDING CODE	DESCRIPTION	PROJECT PRIORITY	START	END	BUDGET (\$)	RATIONALE A: PLANNED LIFE-CYCLE (MINOR) B: COST-SAVINGS INITIATIVE (MINOR) C: BULK LIFE-CYCLE D: END OF USEFUL LIFE (MAJOR) E: FUNCTIONAL OBSOLESCENCE (MAJOR) F: NEW DEMAND
(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)
PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL LIVING QUARTERS							\$000,000 (36)	
VARIANCE (PLANNED-ACTUALS)							\$0 (37)	
TOTAL NUMBER OF LIVING QUARTERS REPLACED DURING PLANNING PERIOD								0 (38)

TABLE D-1 (Group of 3)**Projected Five-Year Budget for Divisional Major Capital**

PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL MAJOR CAPITAL						
FISCAL YEARS 2012-2013 TO 2016-2017						
FISCAL YEAR	MAJOR CAPITAL (Detachment Buildings)		PROJECTED ACCOMMODATION PROGRAM CHARGE	MAJOR CAPITAL (Non-Detachment Buildings)		TOTAL PROJECTED MAJOR CAPITAL ACCOMMODATION PROGRAM CHARGE
	PROJECTED TOTAL EXPENDITURE (100%) (A1) (42)	PROJECTED TOTAL EXPENDITURE (70%) (A2) (43)		PROJECTED TOTAL EXPENDITURE (100%) (C1) (45)	PROJECTED TOTAL EXPENDITURE (70%) (C2) (46)	
			PORTION OF EXPENDITURE FOR DETACHMENT BUILDINGS THAT IS NOT DEFERRED (B) (44)			(D) (47)
2012-2013	\$0,000,000	\$0,000,000	\$0,000,000	0	0	\$0,000,000
2013-2014	\$0,000,000	\$0,000,000	\$0,000,000	0	0	\$0,000,000
2014-2015	\$0,000,000	\$0,000,000	\$0,000,000	0	0	\$0,000,000
2015-2016	\$0,000,000	\$0,000,000	\$0,000,000	0	0	\$0,000,000
2016-2017	\$0,000,000	\$0,000,000	\$0,000,000	0	0	\$0,000,000
TOTAL	\$0,000,000	\$0,000,000	\$0,000,000	0	0	\$0,000,000

Column A1 is the expenditures projected to be made by Canada for the construction, Renovation or acquisition buildings to be used as Detachments.

Column A2 is the total amount projected to be owing by the PT for expenditures made by Canada for the construction, Renovation or acquisition of buildings to be used as Detachments.

Column B is the portion of the Major Capital Budget in respect of buildings used as Detachments to be included in the Accommodations Program Charge (i.e., the portion that is not deferred), subject to subarticle 12.20, is determined as follows:

a) For the Fiscal Year beginning April 1, 2012 by:

- i) establishing an initial provisional projected Divisional Major Capital Plan and Budget for each remaining term of this Agreement based on providing Average Detachments and using a Divisional Replacement Rate of 0.83, an Average Size

of 690 square meters, and a Replacement Cost New of \$6,000 per square meter; and

ii) summing together $1/25^{\text{th}}$ of the PT's share of the projected costs for each Average Detachment beginning in the it is projected to be replaced, Renovated, constructed or acquired and for each remaining Fiscal Year of the term of this Agreement and dividing the resulting sum by 20. For example, $20/25^{\text{ths}}$ of the projected costs of an Average Detachment that is projected to be replaced, Renovated, constructed or acquired during the first Fiscal Year of this Agreement will be included in the sum, $19/25^{\text{ths}}$ of the projected costs of an Average Detachment that is projected to be replaced, Renovated, constructed or acquired during the second Fiscal Year of this Agreement will be included in the sum, and so on.

b) For the Fiscal Years beginning April 1, 2017, April 1, 2022, and April 1, 2027 by

i) establishing a revised provisional projected Divisional Major Capital Plan and Budget in each of those Fiscal Years for the remaining term of this Agreement based on providing Average Detachments and using updated values for the Average Size and the Replacement Cost New to be determined in accordance with this Annex and an updated value for the Divisional Replacement Rate as established in accordance with subparagraph 12.15(c)(iii); and

ii) summing together 'A' plus 'B', where

A) 'A' is $1/25^{\text{th}}$ of the PT's share of the actual costs incurred by Canada for each Average Detachment constructed, Renovated or acquired beginning in the Fiscal Year it was constructed, Renovated or acquired and for each remaining Fiscal Year of the term of this Agreement; and

B) 'B' is $1/25^{\text{th}}$ of the PT's share of the projected costs for each Average Detachment that is projected to be constructed, Renovated or acquired under the provisional projected Divisional Major Capital Plan established under subparagraph (i) beginning in the Fiscal Year it is projected to be constructed, Renovated or acquired and for each remaining Fiscal Year of the term of this Agreement; for example, $15/25^{\text{ths}}$ of the projected costs of an Average Detachment that is projected to be constructed, Renovated or acquired during the sixth Fiscal Year of this Agreement will be included in the sum, $14/25^{\text{ths}}$ of the projected costs of an Average Detachment that is projected to be constructed, Renovated, or acquired during the seventh Fiscal Year of this Agreement will be included in the sum, and so on;

and dividing the resulting sum by 20.

Column C1 is the expenditure projected to be made by Canada for the construction, Renovation or acquisition of Buildings other than buildings used as Detachments.

Column C2 is the total amount projected to be owing by the PT for expenditures made by Canada for the construction, Renovation or acquisition of Buildings other than buildings used as Detachments.

Column D is the total portion of the Major Capital Budget to be included in the Accommodations Program Charge and is based on the sum of columns B and C2.

TABLE D-2**Projected Five-Year Budget for Divisional Minor Capital**

PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL MINOR CAPITAL			
FISCAL YEARS 2012–2013 TO 2016–2017			
FISCAL YEAR	MINOR CAPITAL		PROJECTED MINOR CAPITAL COMPONENT OF THE ACCOMMODATIONS PROGRAM CHARGE AT 70%
	PROJECTED TOTAL EXPENDITURE (100%) (A) (48)	PROJECTED TOTAL EXPENDITURE (70%) (B) (49)	
2012–2013	\$0,000,000	\$0,000,000	\$0,000,000
2013–2014	\$0,000,000	\$0,000,000	\$0,000,000
2014–2015	\$0,000,000	\$0,000,000	\$0,000,000
2015–2016	\$0,000,000	\$0,000,000	\$0,000,000
2016–2017	\$0,000,000	\$0,000,000	\$0,000,000
TOTAL	\$0,000,000	\$0,000,000	\$0,000,000

Column A is the expenditures projected to be made by Canada for the combination of projects to be undertaken in accordance with the Projected Five-Year Plan for Divisional Minor Capital.

Column B is the total amount projected to be owing by the PT for expenditures made by Canada for the combination of projects to be undertaken in accordance with the Projected Five-Year Plan for Divisional Minor Capital.

Column C is the total Provincial portion of the Divisional Minor Capital Budget, at 70% averaged over 5 years, projected to be owing by the PT that is to be included in the Projected Accommodations Program Charge.

TABLE D-3**Projected Five-Year Budgets for Divisional Living Quarters**

PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL LIVING QUARTERS					
FISCAL YEARS 2012–2013 TO 2016–2017					
FISCAL YEAR	MAJOR CAPITAL PROJECTED EXPENDITURE (A) (51)		MINOR CAPITAL PROJECTED EXPENDITURE (B) (52)		PROJECTED LIVING QUARTERS COMPONENT OF ACCOMMODATIONS PROGRAM CHARGE AT 70% (C) (53)
	100% (A1)	70% (A2)	100 % (B1)	70 % (B2)	
2012–2013	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
2013–2014	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
2014–2015	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
2015–2016	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
2016–2017	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000
TOTAL	\$0	\$0	\$0,000,000	\$0,000,000	\$0,000,000

Column A1 is the expenditures projected to be made by Canada for the combination of projects to Renovate, construct, replace or increase the number of Living Quarters to be undertaken in accordance with the Projected Five-Year Plan for Divisional Living Quarters.

Column A2 is the total amount projected to be owing by the PT for expenditures made by Canada for the combination of projects to Renovate, construct, replace or increase the number of Living Quarters to be undertaken in accordance with the Projected Five-Year Plan for Divisional Living Quarters.

Column B1 is the expenditures projected to be made by Canada so as to have the Living Quarters remain fit for use and meet their expected useful life, but does not include Operating and Maintenance work done as part of the normal upkeep of Living Quarters.

Column B2 is the total amount projected to be owing by the PT for expenditures made by Canada so as to have the Living Quarters remain fit for use and meet their expected

useful life, but does not include Operating and Maintenance work done as part of the normal upkeep of Living Quarters.

Column C is the total provincial portion of the Divisional Living Quarters Budget (Major and Minor Capital), at 70% averaged over 5 years, projected to be owing by the PT that is to be included in the Projected Accommodations Program Charge.

TABLE D-4**Total Projected Five-Year Budgets for Divisional Major Capital, Divisional Minor Capital and Divisional Living Quarters**

TOTAL PROJECTED FIVE-YEAR BUDGETS FOR DIVISIONAL MAJOR, MINOR AND LIVING QUARTERS							
FISCAL YEARS 2012–2013 TO 2016–2017							
FISCAL YEAR	MAJOR CAPITAL PROJECTED EXPENDITURE (A) (54)		MINOR CAPITAL PROJECTED EXPENDITURE (B) (55)		LIVING QUARTERS PROJECTED EXPENDITURE (C) (56)		PROJECTED ACCOMMODATIONS PROGRAM CHARGE (D) (57)
	100%	70%	100 %	70%	100 %	70%	
2012–2013	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
2013–2014	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
2014–2015	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
2015–2016	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
2016–2017	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000
TOTAL	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000

The table represents the cumulative total of previous tables.

TABLE C-1 - PROJECTED FIVE-YEAR PLAN FOR DIVISIONAL MAJOR CAPITAL

Divisional Major Capital Plan means the combination of projects to replace, renovate, construct, or acquire buildings used as Detachments and may include such other Buildings as may reasonably be undertaken without affecting the sustainability of the program. Major Capital excludes land acquisition cost and applicable taxes.

1) Number of Detachments in Division

The number of Detachments included in the Major Capital Accommodations Program. (TEAM (SAP) owned building inventory types Detachment and Detachment with Attached housing with a PT establishment).

2) Total Annual Major Capital Accommodations Program Charge (\$)

This is the Major Capital component of the Accommodations Program Charge from Annex D-1 at 100% and 70%. (The 100% figure is derived by dividing the APC by 0.70).

For the group of 8 refer to Annex D-1 column C.

For the group of 3 refer to Annex D-1 column D.

3) Projected Replacement Cost New

The projected cost to replace a Detachment per square meter of new Detachment space (\$/m²). This is often referred to as the RCN. This amount was agreed upon based on historical and projected costs.

4) Projected Average Detachment Replacement Rate Target

The average number of Detachments planned to be replaced per year based on the projected replacement cost new (Field 3) and projected average size (Field 6). The 5-YR number is the annual rate x 5. This was agreed upon based on portfolio size and age, and the rate of replacement.

5) Divisional Detachment Average Age (2012)

The average age of the Detachments included in the Major Capital Accommodations Program and in the initial year of the PPSA (2012). The list of Detachments used for the average age is the same as used for the number of Detachments in division (Field 1).

6) Projected Average Size (M² G)

The projected average size of the new Detachments to be constructed under the five year Major Capital Accommodations Program.

7) Projected Divisional Major Capital (100%)

5-Year total includes the Major Capital Annual Budget for each year of the first five years of the PPSA, shown in 100% terms.

Calculation:

(Field 6) x (Field 3) x (Field 4) = Field 7

Field 6 = Square meters

Field 3 = RCN \$/m2 from the cost per square meter to construct a new Detachment

Field 4 = the projected number of Detachments to be replaced annually

Inflation is added for years 2 through 5.

The 5-YEAR TOTAL is divided by 5 to get a flat rate Accommodations Program Charge for Major Capital and represented at 70% in Annex D-1.

Example:

2012-13	\$2,490,000	Base Budget = \$6,000 (projected RCN) x 595 (average M2) x 1.66 (annual rate)
2013-14	\$2,539,800	Budget = (2012-13 budget + 2% escalation)
2014-15	\$2,590,596	Budget = (2013-14 budget + 2% escalation)
2015-16	\$2,642,408	Budget = (2014-15 budget + 2% escalation)
2016-17	\$2,695,256	Budget = (2015-16 budget + 2% escalation)
5-YEAR TOTAL	\$12,958,060	

Note that NS, AB, and SK have annual adjustments made to the 2% escalation based on Article 12.14.

8) Actual Replacement Cost New:

The RCN is calculated for each project by taking the project's Total Estimated Cost (TEC) and dividing by the projected new Detachment area. This field shows the average of the RCN for projects to be completed in years 2012-13 to 2016-17.

9) Actual Detachment Replacement Rate:

Annual – 1/5 of the 5 year actual replacement rate

5 Year – Reflects actual replacement rate based on the % completion of each project at the end of 2016-17. The % completion is determined by the total expenditures projected at the end of 2016-17 compared to the TEC

Example:

Project	TEC	Previous Fiscal years (PYs)	2013	2014	2015	2016	2017	Future Years (FY)	5 year % completion
1	2,000,000	500,000	0	0	0	1,000,000	500,000	0	100%
2	5,000,000	0	0	0	0	0	2,500,000	2,500,000	50% (sum of PYs and years 2013 to 2017) ÷ TEC 2.5M ÷ 5M
Total	7,000,000	500,000	0	0	0	1,000,000	3,000,000	2,500,000	

Replacement rate = 1.5 over 5 years, 0.3 annually

10) Actual Divisional Average Age:

- @ 5 Years - The average age of the Detachments included in the Major Capital Program at the end of the initial 5 years (2012-13 – 2016-17) accounting for changes in age due to the replacement and major renovation through the Major Capital Accommodations Program.
- @ 20 Years – The average age of the Detachments included in the Major Capital Program extrapolated over 20 years based on the five-year trend.

Example:

Divisional Detachment Average Age (2012) (Field 5) is 33.4

Based on the Major Capital projects planned, the Actual Divisional Average age is 37.7

This is an increase in age of the Detachment portfolio of 4.3 over 5 years.

If the trend of increasing the average age by 4.3 years for each 5 year period, the average age at year 10 would be 33.4 + 4.3 (first 5 years) + 4.3 (second 5 years) or 33.4 + (4.3 x 2)

At 20 years this would be 33.4 + 4.3x4 = 50.6.

As these calculations are done without rounding before population the templates, the number in the @20 YRS may show as off by a decimal place. (e.g. 50.5 vs 50.6).

11) Actual Average Size (M2 G)

Average of the projected actual size (M2) of the new Detachments included in the current 5 Year Major Capital Accommodations Program.

12) Actual Divisional Major Capital (100%)

The amounts in this section represent the total planned expenditures (project cashflows) in each year of the 5 Year Major Capital Plan.

13) Proposed Project List

Includes details of the planned projects as well as any major projects where supplemental funding was obtained (identified with footnotes). Non Detachment buildings are not included in metrics for the Replacement Cost New, average age or average size calculations.

Detachment Details

- a) Project ID – The TEAM (SAP) project number used for internal tracking and reporting
- b) Location – Community where the Detachment will be located
- c) Building Code – The TEAM (SAP) building inventory number used for internal tracking and reporting
- d) Current Age (2013) – Age of the Detachment being replaced

Project Details

- e) Identifies if the project a Major Renovation or a Replacement
- f) Rational identifies why the renovation or replacement is required (end of useful life, expansion, etc)

M2 G

- g) the gross square meters of the current Detachment
- h) the projected gross square meters of the new Detachment

Project Costs

- i) Projected Replacement Cost new is the project's TEC

Calculation:

$$(\text{Field } 13 \text{ j}) / (\text{Field } 13 \text{ h}) = (\text{Field } 13 \text{ i})$$

$$\text{Field } 13 \text{ j} = \text{TEC } (\$)$$

$$\text{Field } 13 \text{ h} = \text{projected gross square meters of the new Detachment (m2)}$$

- j) The TEC of the project (not just the expenditures for the 5 years of this plan).

- k) Fiscal year project start date

l) Fiscal year project end date

TABLE C-2 - PROJECTED FIVE-YEAR PLANS FOR DIVISIONAL MINOR CAPITAL

Divisional Minor Capital Plan means the combination of projects to be undertaken so as to have all Buildings (excluding living quarters) remain fit for use and meet their expected useful life, such as the replacement of building components and/or sub-systems like electrical, heating, ventilation, air conditioning, and plumbing systems. Normal Operations and Maintenance work done as part of the regular upkeep of Buildings is not included.

14) Total Budget (100%) - The APC at 100%.

15) Project ID

Where available, allows for tracking of projects by reference number and eases any reconciliation exercises

16) Location

Includes geographical location (city) and building type (e.g., Detachments, district office, garage, other)

17) Building Code

As there can be more than one building at a site (such as support buildings), this codes ensures accurate identification. This is the TEAM (SAP) inventory number.

18) Description - Describes what work will be done

19) Project Priority

Allows for efficient prioritization of minor capital investments

PROJECT PRIORITIES**Priority Definition**

PRIORITY A **A1 – Emergency:** A condition/deficiency that has occurred. The condition/deficiency has already or will very shortly result in the shutdown of a building/support system or in an incident or discovered condition that will threaten human health, safety, and/or the environment. Emergency projects require immediate action and are not reflected in the BMP/PMP, but rather are dealt with upon discovery or the deficiency occurring.

PRIORITY B A condition/deficiency that if left uncorrected next fiscal year, risks becoming a Priority A1 Emergency project.

PROJECT PRIORITIES	
Priority	Definition
	<p>B1 - Health, Safety and Environment: A condition/deficiency that currently constitutes a regulatory violation, or poses a serious risk to human health, safety and/or the environment.</p> <p>B2 - Operational Efficiency: A condition/deficiency that threatens operational objectives and, if left uncorrected next fiscal year, could result in the RCMP incurring productivity losses which could outweigh the cost of the corrective work. Every effort should be made to ensure that no B2 projects are delayed so as to become B1 or A1 priority projects.</p> <p>B3 - System Integrity: A condition/deficiency that, if left uncorrected next fiscal year, will result in the shutdown of a critical support system of a building and could result in program delivery disruptions and productivity losses by the RCMP.</p>
PRIORITY C	<p>A condition/deficiency that is not yet a B Priority but, if left uncorrected next fiscal year or beyond, may result in regulatory violations, operational inefficiencies and increased costs. Corrective action, including investigation and analysis, would demonstrate prudence and due diligence. The resulting findings of any investigation will likely result in projects being recommended that may fall into B Priority classification.</p> <p>C1 - Health, Safety and Environment: A condition/deficiency that does not pose a potential threat to human health, safety, and/or the environment in the immediate planning year, but could lead to a regulatory violation if left uncorrected next fiscal year. A project that is determined to not pose an immediate threat to health, safety and environment in the immediate planning year should be coded to C1, Health, Safety and Environment.</p> <p>C2 - Operational Efficiency: A condition/deficiency that is certainly known to hamper operational efficiency and will not likely improve if continued to be left uncorrected, resulting in a higher priority project next fiscal periods.</p> <p>C3 - System Integrity: A condition/deficiency that is likely to result in increasing costs and will not improve if left uncorrected next fiscal year.</p> <p>C4 - National Programs: Specific National Programs as clearly identified by Treasury Board or RCMP Directives. Examples: Canada Wordmark, Tactile Signage, and Asset Management Plans.</p>

PROJECT PRIORITIES	
Priority	Definition
PRIORITY D	<p>A condition/deficiency that could be improved/corrected for the general benefit of the asset and the occupants. The condition/deficiency does not threaten building systems, operations, human health, safety and/or the environment. Action should be taken where funding can be made available.</p> <p>D1 - Asset Maintenance: A condition/deficiency that could be improved/corrected by repair or replacement but does not threaten building systems, operations, human health, safety and/or the environment.</p> <p>D2 - Appearance/Image: A condition for which work would improve the appearance or image of the building.</p> <p>D3 - Environmental Benefits: A non-emergency/regulatory situation that could be improved by the application of environmental best practices.</p>
PRIORITY X	<p>Projects for which the key factor is a significant financial benefit to the RCMP, including retention of current financial performance, where the work may not produce its own identifiable ROI. This priority may also include application of environmental best practices.</p>

20) Start - The fiscal year in which the projected is expected to commence

21) End - The fiscal year in which the projected is expected to be completed

22) Budget (\$) - Outlines total estimate value of the project

23) Rationale

Allows for efficient categorization of minor capital investments

Element	Definition
Planned Life-Cycle	Projects which are planned in order to allow the building to remain fit for use and meet its expected useful life. The replacement of a roof at year 20 is an example of planned life-cycle.
Cost Savings Initiative	Projects which generate a positive return on investment. Examples may include energy-saving projects which generate operation and maintenance cost reductions over time.
Bulk Life-Cycle	Bulk Project allocation for unplanned life-cycle projects

which may be difficult to specifically predict or itemize.

24) Projected Five-year Plan for Divisional Minor Capital - The sum of the Budget column (22)

25) Variance (Planned-Actuals)

Calculation:

(Field 14) – (Field 24) = Field 25

Field 14 = Total budget

Field 24 = Projected Five-year plan for divisional Minor Capital

TABLE C-3 - PROJECTED FIVE-YEAR PLANS FOR DIVISIONAL LIVING QUARTERS (LQ)

The Divisional Living Quarters program includes the renovation, new acquisition, and replacement of living quarters not part of a Detachment building. It also includes work undertaken to ensure the Living Quarters remain fit for use and meet their expected useful life (life cycle projects), but does not include Operations and Maintenance work done as part of the normal upkeep of Living Quarters.

26) Total Budget (100%) - The APC at 100%.

27) Project ID

Where available, allows for tracking of projects by reference number and eases any reconciliation exercises

28) Location

Includes geographical location (city) and building type (e.g., Detachments, district office, garage, other)

29) Building Code

As there can be more than one building at a site (such as support buildings), this codes ensures accurate identification. This is the TEAM (SAP) inventory number.

30) Description - Describes what work will be done

31) Project Priority

Allows for efficient prioritization of living quarters investments. See table for Field 19.

32) Start - The fiscal year in which the projected is expected to commence

33) End - The fiscal year in which the projected is expected to be completed

34) Budget (\$) - Outlines total estimate value of the project

35) Rationale

Allows for efficient categorization of minor capital investments (*The first 3 Elements are the same as minor Capital, the last 3 are specific to Living Quarters*)

Element	Definition
Planned Life-Cycle	Projects which are planned in order to allow the building to remain fit for use and meet its expected useful life. The replacement of a roof at year 20 is an example of planned life-cycle.
Cost Savings Initiative	Projects which generate a positive return on investment. Examples may include energy-saving projects which generate operation and maintenance cost reductions over time.
Bulk Life-Cycle	Bulk Project allocation for unplanned life-cycle projects which may be difficult to specifically predict or itemize.
End of Useful Life (Major)	The replacement of a Living Quarter due to the end of its useful life. The cost of maintaining, repairing or upgrading is greater than a new living quarter.
Functional Obsolescence (Major)	The replacement of a Living Quarter due to the fact that its space (size) is no longer suitable for RCMP use (too big, too small).
New Demand	A new demand over and above existing inventory resulting from a new operational requirement.

36) Projected Five-year Plan for Divisional Living Quarters

The sum of the Budget column (34)

37) Variance (Planned-Actuals)

Calculation

(Field 26) – (Field 36) = Field 37

Field 26 = Total budget

Field 36 = Projected Five-year plan for divisional Minor Capital

38) Total Number of Living Quarters Replaced During Planning Period

Breakdown of the number of Living Quarters Major Capital replacements during the 5 years (e.g. new or converted)

Calculation:

Count in Field 35 of rationales C (End of useful life), D (Functional obsolescence) and E (New demand)

TABLE D-1 - PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL MAJOR CAPITAL (GROUP OF 3)

39) Projected Total Expenditure (100%) (A1)

This is the same column as Field 7 on Annex C-1 and is calculated based on the RCN, average projected Detachment size and the projected average Detachment replacement rate. See Field 7 for more details.

40) Projected Total Expenditure (70%) (A2)

Column A1 (Field 42) at 70% cost share
(e.g. the provincial amount projected to be owing in accordance with the Major Capital Plan)

41) Projected Accommodations Program Charge - Portion of expenditure for Detachment buildings that is not deferred (B)

This column is taken from Annex E column C-1. Note that the amount in Annex E Column G1 *Net Provincial Accelerated Payment* does not form part of the APC but is paid in addition to the APC.

42) Major Capital (Non-Detachment buildings) Projected Total Expenditure (100%) (C1)

Expenditures projected to be made by Canada for the construction, Renovation or acquisition of Buildings other than buildings used as Detachments for which payments cannot be deferred.

43) Major Capital (Non-Detachment buildings) Projected Total Expenditure (70%) (C2)

Column C1 (Field 45) at 70% cost share
(e.g. the provincial amount projected to be owing in accordance with the Major Capital Plan for non-Detachment buildings)

44) Total Projected Major Capital Accommodations Program Charge (D)

The accommodations program charge billable at 70% for major capital projects.

Calculation:

$$(\text{Field 44}) + (\text{Field 46}) = \text{Field 47}$$

Field 44 = Sum of the Projected APC that is not deferred

Field 46 = Major Capital of non-Detachment buildings at 70% (C2)

TABLE D-2 - PROJECTED FIVE-YEAR BUDGET FOR DIVISIONAL MINOR CAPITAL

48) Projected Total Expenditure (100%) (A)

Using the procedure outline in Annex I, each building with a PT billable area is listed with its age and area in support of PT policing.

The building is aged for each of the 5 years. If the building is to be renovated/replaced under the Major Capital Program, the age is adjusted in the year of planned completion.

The age factor is determined for each building.

For each building, the age factor is multiplied by the replacement cost new and by the area. The RCN is inflated by 2% for years 2-5.

The total for each fiscal year is determined over the inventory and represented in column A.

An increase or decrease year over year of other than 2% is due to buildings changing age categories (e.g. age goes from 9 to 10 changes the building age rate from 0.5% to 1.0%, a replaced building is removed and the new building is added with the age and size changes in the affected fiscal year)

49) Projected Total Expenditure (70%) (A)

Column A (Field 48) at 70% cost share

50) Projected Minor Capital Component of the Accommodations Program Charge at 70% (C)

The Projected Total Expenditure (B) averaged over 5 years.

Calculation:

(Total of Field 49) / 5 = Field 50

TABLE D-3 - PROJECTED FIVE-YEAR BUDGETS FOR DIVISIONAL LIVING QUARTERS

The annual expenditures projected to be made by Canada (columns A1 + B1) was an agreed upon amount based on historical values and projected requirements. This is referred to as the base budget. The base budget is inflated for years 2-5.

51) Living Quarters Major Capital Projected Expenditure (A)

The amount of the base budget projected for major capital projects (replacements, major renovations, new demand). (Refer to Annex C-3, rationales D, E, F)

52) Living Quarters Minor Capital Projected Expenditure (B)

The remaining amount of the base budget not used for major capital projects.

$(A1 + B1) = \text{Base budget}$

53) Projected Living Quarters Component of the Accommodations Program Charge at 70% (C)

The five year average of the base budget at 70%.

Calculation:

$(\text{Field 51 (A2)} + \text{Field 52 (B2)}) / 5$

TABLE D-4 - TOTAL PROJECTED FIVE-YEAR BUDGETS FOR DIVISIONAL MAJOR CAPITAL, DIVISIONAL MINOR CAPITAL AND DIVISIONAL LIVING QUARTERS

The table represents the cumulative total of previous tables.

54) Projected Major Capital Expenditure (A)

Columns A & B (group of 8) or Columns A1 and A2 (NS, AB, SK) from Annex D-1

This is the formula based projected expenditure using the RCN, average projected size and replacement rate.

55) Projected Minor Capital Expenditure (B)

Columns A & B from Annex D-2

This is the formula based projected expenditure using the process outlined in Annex I.

56) Projected Living Quarters Expenditure (C)

Columns $(A1 + B1)$ & $(A2 + B2)$ from Annex D-3 (LQ Major capital plus LQ Minor capital at 100%)

57) Projected Accommodations Program Charge (D)

The sum of the Accommodations Program Charge columns from Annexes D-1, D-2 and D-3.

ARTICLE 13: REMOVAL OF BUILDINGS AND LIVING QUARTERS AND TRANSFER OF BUILDINGS, LIVING QUARTERS AND LAND

PURPOSE

The purpose of this Article is to outline the process for calculating the Fair Market Value of federally-owned Buildings and Living Quarters that are removed from the Service and/or acquired by the PT Police Service.

BACKGROUND

Under the 1992 Agreements, the PTs paid a flat rental rate per square metre for the Service to occupy space in federally-owned buildings. Canada was responsible for all acquisition, construction and renovation costs over \$30,000 per project (PTs paid for repairs of up to \$30,000 per project) for federally-owned buildings and living quarters. These Agreements did not have any provision regarding sharing the proceeds from the disposition of buildings or living quarters following their removal by Canada from the use of the Service. These Agreements also did not have any provisions for the acquisition by the PTs of federally-owned buildings or living quarters.

The 2012 Agreements are based on the parties sharing the actual costs of federally-owned accommodations. PTs are responsible for a proportionate share of the cost of acquisition, construction and Renovation for federally-owned Buildings and Living Quarters used to support the Service. The Agreements recognize the financial contributions of the PTs through the sharing of proceeds from the disposal of Buildings or Living Quarters by Canada following removal from the use of the Service. The Agreements also set forth the process by which PTs can acquire federally-owned Buildings and Living Quarters which are no longer required by Canada.

INTERPRETATION

PT SHARE OF FAIR MARKET VALUE FOR BUILDINGS OR LIVING QUARTERS REMOVED FROM THE USE OF THE SERVICE – 13.1

These provisions provide the formula to be used if a Building or Living Quarters is no longer required for use by the Service and the PT does not wish to acquire the Building or Living Quarters. If Canada removes from the use of the Service any federally-owned Building or Living Quarters that was acquired, constructed or Renovated during the term of this Agreement, the following provisions apply depending on whether or not the PT has expenditures owing at the time of removal.

The Fair Market Value will be determined immediately before the removal of the Building or Living Quarters and excludes any amount for the land.

1. If the PT has paid in full its share of the costs of the acquisition, construction or Renovation of the Building or Living Quarters:

- the PT will receive 70% of the Fair Market Value (FMV) of the Building or Living Quarters;
- less 70% of all reasonable costs (RC) incurred by Canada in disposing of the land and Buildings or Living Quarters (including costs incurred as a result of legal requirements).

$$\text{PT Share of FMV} = (\text{FMV} * 70\%) - (\text{RC} * 70\%)$$

2. If the PT has not paid in full its share of the expenditures for the acquisition, construction or Renovation of the Building or Living Quarters and still has a balance owing to Canada:

- the PT will receive a percentage of the Fair Market Value (FMV) that is equal to the proportion of the costs paid by the PT, up to the time of removal, divided by the total costs paid by Canada;
- less 70% of all reasonable costs (RC) incurred by Canada in the disposition of the land and Building or Living Quarters (including costs incurred as a result of legal requirements).

$$\text{PT Share of FMV} = (\text{FMV} * \frac{\text{PT Costs Paid}}{\text{Total Costs by Canada}}) - (\text{RC} * 70\%)$$

Payments will stop in the Fiscal Year that the Building or Living Quarters is removed from the use of the Service. For example, if a Building is removed from the Service on June 15, 2014, there will be no payments from the PT from April 1, 2014 onward.

PROVINCIAL/TERRITORIAL ACQUISITION OF FEDERALLY-OWNED LAND AND BUILDINGS OR LIVING QUARTERS NOT REQUIRED BY CANADA – 13.2

The PT may acquire any federally-owned land and Buildings or Living Quarters that are used for the provision of the Service and that Canada has determined it no longer requires. This will be done through a transfer of administration under a separate agreement and is subject to any applicable laws and necessary approvals by Canada.

BUILDINGS OR LIVING QUARTERS ACQUIRED, CONSTRUCTED OR RENOVATED DURING THIS AGREEMENT – 13.3

The PT can acquire federally-owned Buildings or Living Quarters that Canada acquired, constructed or Renovated during this Agreement, and the land on which these are

located in the event of the expiration or the termination of the Agreement or in the event of the exclusion of a geographic area in accordance with Article 4. This is provided that the Building or Living Quarters is no longer required by Canada.

The PT will pay to Canada an amount determined as follows:

- The Fair Market Value of the Buildings or Living Quarters;
- less the percentage of the Fair Market Value that is equal to the proportion of the total costs paid by Canada that have already been paid by the PT;
- plus the Fair Market Value of the land;
- plus 70% of all reasonable costs incurred by Canada in the transfer of administration to the PT (including costs incurred as a result of legal obligations, such as environmental obligations).

$$\text{PT Purchase} = \text{FMV} - \left(\text{FMV} * \frac{\text{PT Costs Paid}}{\text{Total Paid by Canada}} \right) + \text{FMV of land} + (\text{RC} * 70\%)$$

DETACHMENT BUILDINGS PRE-DATING THIS AGREEMENT – 13.4

Subarticle 13.2 clearly states that PTs can acquire Living Quarters. However the Agreement is silent on how to calculate the purchase price for those Living Quarters that were acquired or constructed prior to this Agreement. It is recognized that the purchase price paid by PTs for these Living Quarters will need to factor the financial contributions towards Minor Capital projects for Living Quarters made by PTs under this Agreement.

PTs can acquire buildings used as a Detachment that Canada did not acquire, construct or Renovate during this Agreement, and the land on which these are located in the event of the expiration or the termination of the Agreement or in the event of the exclusion of a geographic area in accordance with Article 4. This is provided that the building is no longer required by Canada.

In recognition of the financial contributions made by PTs, in the form of rent, towards buildings used as a Detachment that Canada acquired or constructed prior to this Agreement, the Fair Market Value of the building is reduced by a set percentage according to Table F-1 in Annex F.

Table F-1 determines the percentage by which the Fair Market Value is reduced based on the Fiscal Year in which the building was first used as a Detachment. For example, Fiscal Year 1992-1993 is from April 1, 1992 to March 31, 1993 and the percentage by which the Fair Market Value is reduced is 66.5%. This table is based on the premise that PTs have contributed through the flat rent the equivalent of 70% of the Fair Market Value for buildings that were first used as a Detachment prior to April 1, 1992. This

percentage is decreased by 3.5% per year until it reaches 0% for the Fiscal Year 2011-2012.

The calculation of the purchase price by the PT is determined based on the following three scenarios:

- the building was first used as a Detachment prior to April 1, 1992 and until the expiration or termination of this Agreement or geographical exclusion;
- the building was first used as a Detachment sometime between April 1, 1992 and March 31, 2012 and until the expiration or termination of this Agreement or geographical exclusion; or
- the building was first used as a Detachment sometime between April 1, 1992 and March 31, 2012 and continues to be used as a Detachment on March 31, 2032.

If the building has been used as a Detachment prior to April 1, 1992 and until the expiration or termination of the Agreement, the PT will pay to Canada an amount determined as follows:

- 30% of the Fair Market Value of the building;
- plus the Fair Market Value of the land;
- plus 70% of all reasonable costs incurred by Canada in the transfer of administration to the PT (including costs incurred as a result of legal obligations, such as environmental obligations).

$$\text{PT Purchase} = (\text{FMV} * 30\%) + \text{FMV of land} + (\text{RC} * 70\%)$$

If the building was first used as a Detachment between April 1, 1992 and March 31, 2012 and continues so until termination of the Agreement, the PT will pay to Canada an amount determined as follows:

- the Fair Market Value of the building;
- less the credit for the number of Fiscal Years that the Detachment was used (percentage of the Fair Market Value as determined by Table F-1 in Annex F);
- plus the Fair Market Value of the land;
- plus 70% of all reasonable costs incurred by Canada in the transfer of administration to the PT (including costs incurred as a result of legal obligations, such as environmental obligations).

$$\text{PT Purchase} = \text{FMV} - (\text{FMV} * \% \text{ from Table F1}) + \text{FMV of land} + (\text{RC} * 70\%)$$

If the building was first used as a Detachment between April 1, 1992 and March 31, 2012 and continues so until expiration of the Agreement on March 31, 2032, the PT will pay to Canada an amount determined as follows:

- 30% of the Fair Market Value of the building;
- plus the Fair Market Value of the land;
- plus 70% of all reasonable costs incurred by Canada in the transfer of administration to the PT (including costs incurred as a result of legal obligations, such as environmental obligations).

$$\text{PT Purchase} = (\text{FMV} * 30\%) + \text{FMV of land} + (\text{RC} * 70\%)$$

ADMINISTRATION

PROCESS FOR THE ACQUISITION OF LAND AND BUILDINGS OR LIVING QUARTERS BY PTS – 13.5

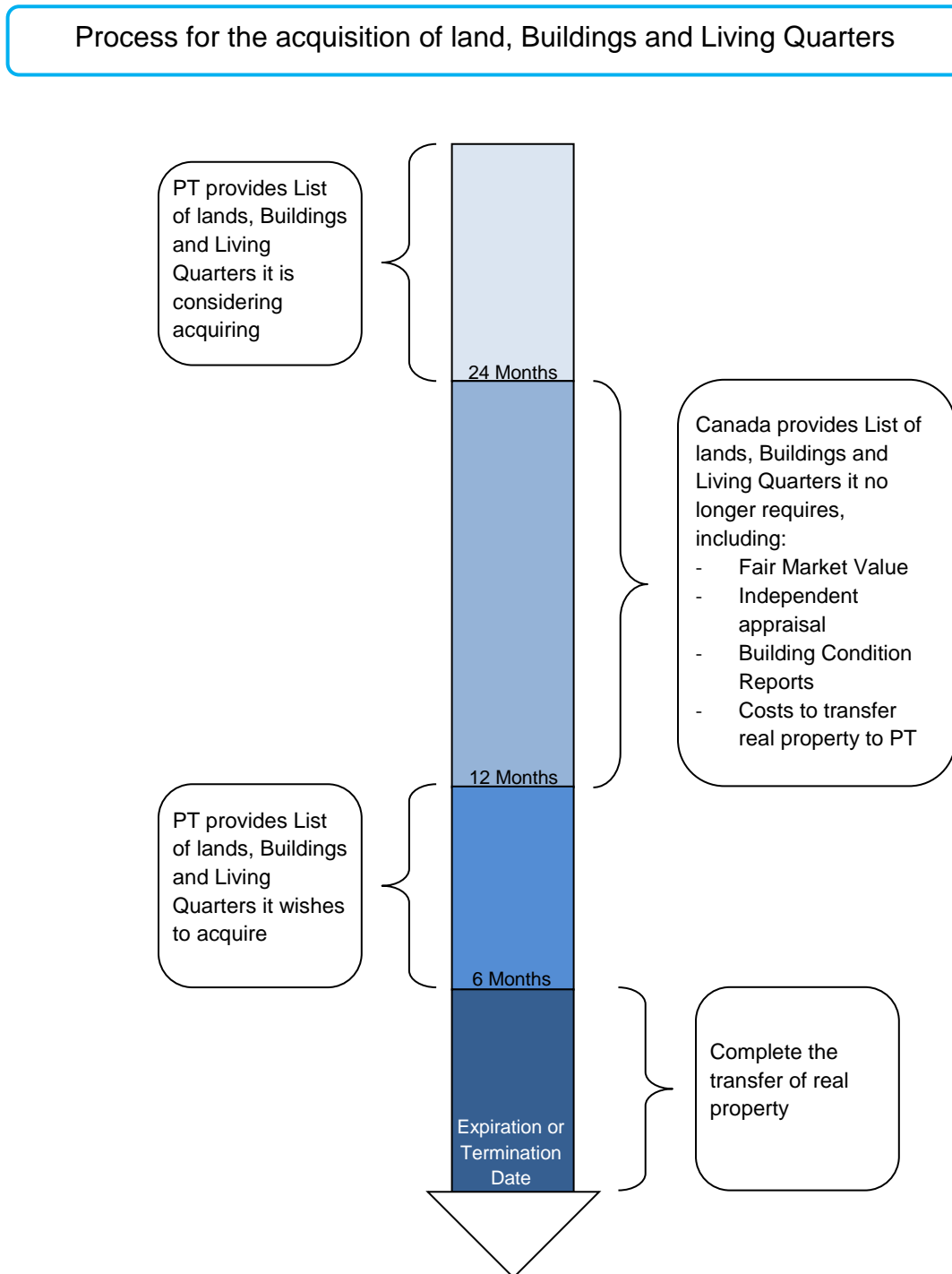
At least 24 months prior to the expiration date or the date of termination of this Agreement, the PT may choose to give notice to Canada of its intention to acquire lands, Buildings or Living Quarters. This notice will include a list of which lands, Buildings and Living Quarters the PT would like to acquire. Canada is required to respond with a notice consisting of a list of those lands, Buildings and Living Quarters that it will no longer require after the expiry or termination of this Agreement. Canada will provide this notice to the PT at least 12 months prior to the expiration date or the date of termination.

As part of the notice that Canada gives to the PT for each parcel of land that has been identified as no longer required by Canada will be included the following information and documentation:

- the Fair Market Value of the lands, Buildings and Living Quarters and a copy of the independent appraisal;
- the building condition reports for each Building and Living Quarters (if available); and
- all the information that Canada has regarding the anticipated costs that it will incur as a result of the transfer of administration to the PT (this includes costs incurred as a result of legal obligations, such as environmental obligations).

The PT will give Canada notice of the lands, Buildings and Living Quarters it wishes to acquire at least six months prior to the expiration date or the date of termination.

The parties will make their best efforts to complete the transfers so that the PT will acquire the lands, Buildings and Living Quarters no later than the first day following the expiration or termination date of this Agreement.



ARTICLE 14: EQUIPMENT

PURPOSE

Article 14 describes the responsibility for supplying Equipment required for the PT Police Service and the financial consequences when Equipment-Type A over \$150,000 purchased during the term of this Agreement is lost, damaged, destroyed or removed from the Service.

BACKGROUND

This Article is essentially similar to the provisions that existed under the 1992 Agreement, except for an adjustment to the minimum amount that can be amortized which increased from \$100,000 to \$150,000.

The RCMP uses its expertise and professional judgment in the selection and procurement of Equipment of a standard and quantity that is necessary to carry out its obligations under the terms of the Agreement. Equipment supplied by Canada can be either purchased or leased. If an item is leased, contractual obligations in the lease agreement regarding losses or damages apply.

The provision in this Article dealing with the loss, damage, destruction or removal of a piece of Equipment–Type A costing more than \$150,000 only applies to items purchased during this Agreement. The rules of the 1992 Agreement continue to apply for Equipment of \$100,000 or more purchased before April 1, 2012, in dealing with their loss, damage, destruction or removal from the Service.

For the most part, the federal government underwrites its own risks and does not purchase insurance in the commercial insurance market. According to the Treasury Board of Canada's Guidelines on Self-Insurance, the term "self-insurance" refers to the practice of each department funding its own losses.

For any Equipment other than Equipment–Type A, all contract parties absorb their respective share of any loss, damage or destruction. However, under Article 11, the PT will receive 70% of any amount received by Canada from the sale, transfer out of the Service or other disposition of any item of Equipment that cost less than \$150,000 and was purchased by Canada for the Service (it does not matter whether the Equipment is Type A or Type B).

INTERPRETATION

The following terms are defined under Article 1: Equipment, Equipment-Type A, Equipment-Type B, and Fair Market Value. Additional examples of Equipment-Type A are Tactical Assault Vehicles (TAVs) and helicopters.

SELECTION AND PURCHASE OF EQUIPMENT

Canada is responsible for supplying the Equipment necessary to carry out its obligations under the terms of the Agreement. In keeping with the provisions of Article 6, the determination of Equipment standards and the selection of Equipment for the use of Members of the Service rests with the Commissioner, as part of his or her responsibilities to administer and manage the RCMP. The Agreement also recognizes the RCMP's responsibility as a federal agency to abide by the federal government's procurement guidelines.

While the purchase and selection of Equipment remains under the control of Canada, any acquisition of Equipment is subject to consultation between the RCMP and the PT. This consultation, including the exchange of information and the development of Multi-Year Financial Plans, is comprehensively covered in Article 18 as part of the annual financial planning exercise for the Service.

LOST, DAMAGED, DESTROYED OR REMOVED EQUIPMENT – EQUIPMENT-TYPE A COSTING \$150,000 OR MORE

Article 14 includes a provision recognizing the financial contributions made by PTs towards the purchase of Equipment-Type A which is lost, damaged, destroyed or removed from the use of the Service. The Equipment must have been purchased during the time period covered by this Agreement.

The procedures under this subarticle recognize the jurisdiction's equity, which is determined by ascertaining:

- whether the PT has paid its full share;
- whether the Equipment was subject to amortization; and,
- the Fair Market Value preceding the loss, damage, destruction or disposal of the item.

Under the terms of the Agreement, the ownership of Equipment utilized to provide the Service remains with Canada.

ADMINISTRATION

SELECTION AND PURCHASE OF EQUIPMENT

In accordance with Article 18, the RCMP and the PT will exchange information and consult prior to the PT Minister setting the budget for the Service. As part of this multi-year financial planning process, the CO will:

- provide the PT Minister with a multi-year equipment plan prior to the beginning of the Fiscal Year. This plan will explain any significant deviations between the equipment budgets for the previous and current Fiscal Years;
- obtain the approval of the PT Minister prior to purchasing Equipment–Type A over \$150,000. Normally, this approval is obtained by an exchange of letters between the CO and PT Minister, as part of the multi-year financial planning process; and
- provide the PT Minister with information relating to proposed changes or updates to the Service’s multi-year equipment plan at mutually agreeable times throughout the Fiscal Year.

Where possible, Equipment will be selected that can be operated within existing RCMP capabilities or, if a new capability is required, RCMP processes for new investments must be followed. An example of a new capability was the purchase of carbines, which involved policy changes, new training, etc.

Payment Options

Regardless of the type of Equipment, the PT is responsible for a share of the cost of this Equipment as outlined under Article 11 (further information on amortization is found in the Companion Document section on Article 11).

Provincial/Territorial Request for Equipment

Where situations such as changes in PT legislation require the use of particular Equipment by the Service, the PT will endeavor to provide adequate notice to allow the RCMP to purchase the Equipment while adhering to federal procurement rules and regulations.

It is important to note that the Agreement does not provide for a situation whereby the PT would acquire Equipment directly and then bill the RCMP for it.

Further, the Agreement does not provide for a situation whereby the PT would request that the RCMP acquire Equipment for any organization that is not a party to the Agreement or that would result in any ownership of the Equipment external to the federal government.

LOST, DAMAGED, DESTROYED OR REMOVED EQUIPMENT – EQUIPMENT-TYPE A COSTING \$150,000 OR MORE

The administration of this subarticle falls within the responsibility of the CO.

1. When Equipment-Type A purchased at a cost of \$150,000 or more during this Agreement for the PT Police Service is lost, damaged, destroyed or removed, the amount to be credited to the province or territory shall be determined by:
 - a. assessing the Fair Market Value as determined immediately prior to the Equipment being lost, damaged, destroyed or removed. This assessment is conducted by the RCMP policy lead responsible for assets; and
 - b. determining the percentage of the province or territory's full share paid at the time the Equipment was lost, damaged, destroyed or removed, exclusive of any interest (see example below).

Example:

Purchase price (PP) = \$200K

Partner share = \$140K

FMV = \$150K at disposition

If PT paid \$140K (100% of their share) of PP, they receive $.7 \times \$150K = \$105K$

If PT paid \$70K (50% of their share) of PP, they receive $.7 \times .5 \times \$150K = \$52.5K$

Note: Interest paid by PT is not included in any of the calculations.

2. If Equipment was amortized, all payments to the point of the Equipment being lost, damaged, destroyed or removed are used to determine the percentage of the PT's portion. Interest is not included in any of the calculations.
3. The PT credit will appear in the billing of the Service.

ARTICLE 15: TRANSFER OF OWNERSHIP OF EQUIPMENT

PURPOSE

Article 15 sets out the process for managing the transfer of any Equipment purchased by Canada for the PT Service if the Agreement expires or is terminated.

BACKGROUND

This Article is similar to the provisions that existed under the 1992 Agreement, except:

- an adjustment was made to the minimum amount that can be amortized (increased from \$100,000 to \$150,000);
- the addition of the requirement for the PT to provide notice of their interest in taking over ownership of specific Equipment (as well as timelines); and
- the addition of the requirement that the transfer of Equipment be completed within six months of the termination or expiry date (unless the contract parties agree otherwise).

The Companion Document section on Article 14 may be consulted for additional information on the terms and conditions that apply to Equipment.

Unless an extension or renewal has been negotiated by the contract parties, the Agreements expire on March 31, 2032. However, in accordance with Article 3, Canada or the PT may terminate the Agreement on March 31 of any year, provided the required notification is given.

INTERPRETATION

The following terms are defined under Article 1: Equipment, Equipment-Type A, Equipment-Type B, and Fair Market Value.

Article 15 provides the mechanism to recognize the equity a PT may have accrued towards the purchase of any item of Equipment upon the termination or expiry of the Agreement. If Canada no longer requires any Equipment they purchased for the Service, then the PT has the option to acquire it at the current Fair Market Value, less their paid share, excluding interest.

This Article covers all Equipment purchased by Canada for the Service.

ADMINISTRATION

The provisions of this Article only apply if the Agreement is expiring or being terminated. They do not apply to situations where Equipment is deemed to no longer be required by the RCMP to deliver the Service. In these cases, the asset may either be retained or sold by Canada and regular RCMP disposal processes will apply.

In accordance with the federal Treasury Board Directive on Disposal of Surplus Materiel, whenever possible, departments must make surplus materiel assets available, whether gratuitously, at book value, or at market value, to other federal departments and agencies before disposing of them outside the federal domain. The RCMP delegated authority who declares the asset surplus will work with the RCMP National Policy Centre responsible for the asset to confirm that the asset is not required by Canada. If there is no interest expressed by other federal departments, it will be determined that the Equipment is no longer required by Canada and it will then be available for acquisition by the PT.

The following process will be followed:

1. The CO will inform the PT that the Equipment is available for acquisition. Information will be provided indicating any amounts owing by the PT for the Equipment, the original acquisition cost, and the Fair Market Value. The Fair Market Value assessment is conducted by the RCMP policy lead responsible for assets.
2. If the PT decides to acquire the Equipment then the PT will provide written notice to the Federal Minister pursuant to Article 24 and within the following timeframes:
 - in the event of termination, notice must be received at least 6 months prior to the termination date; and
 - in the event of expiry, notice must be received at least 3 months prior to the expiry date.
3. The PT will pay Canada the amount, if any, by which the FMV exceeds the amount already paid by the PT (and ownership will be transferred to the PT).
4. The Federal Minister will advise the Commissioner upon receipt of such notice. Unless the parties agree otherwise, the transfer must be completed within 6 months of termination or expiry date.
5. If the PT does not wish to buy the Equipment, then Canada will credit the PT with the amount, if any, by which the FMV exceeds the original acquisition cost paid by Canada (and ownership will remain with Canada).

As it would be difficult for a PT to purchase a portion or segment of a telecommunication system without compromising the balance of the system, the following additional definitions are provided:

For radio telecommunication purposes, the term equipment includes:

“A Complete Telecommunication System” – includes all elements required for a radio telecommunication system for the whole province or territory including control centres, repeater/base stations (excluding land and buildings), mobiles, portables and all ancillary equipment.

“A Partial Backbone Telecommunication System” – includes only final elements of a radio telecommunication system including control centre equipment, integrated base stations (not Detachment stations), repeater stations, but excludes all user equipment.

“Capital Telecommunication Facilities” – includes any service enhancement, sub-system or facility that is not physically integrated into an existing radio telecommunication system and could stand alone as an operational entity. For example, a computer-aided dispatch sub-system, 911 system, and a stand-alone mobile/portable radio sub/system for a special operational unit or purpose.

ARTICLE 16: JAILS AND LOCK-UPS

PURPOSE

Article 16 acknowledges responsibilities for jails and police lock-ups and sets out provisions regarding changes to the number and size of lock-ups.

BACKGROUND

Most Detachments in the Service are equipped with jails or police lock-ups for the purpose of housing persons lawfully detained by police in the execution of their duties. The lock-up cells are intended to be used as temporary holding cells, as opposed to correctional facilities.

INTERPRETATION

This Article acknowledges that Canada has no responsibility to maintain jails and lock-ups for persons committed to custody for less than two years. Persons committed to custody for less than two years are normally a PT responsibility and serve time in a PT correctional facility. In practice, there are times when these persons are held in the police lock-up and this practice will continue unless otherwise agreed by the parties.

The number, capacity and location of jails and lock-ups in existence on April 1, 2012, will not be reduced without prior consultation with the PT Minister.

ADMINISTRATION

CONSULTATION WITH PROVINCIAL OR TERRITORIAL MINISTER

Under circumstances which may require the closure of a lock-up (for health, safety or other reasons), or a reduction in a lock-up's size or location, the RCMP must consult with the PT Minister as soon as possible, as any changes may affect policing or other parts of the justice system. Working together, the RCMP and the PT should mutually agree on a way forward.

FINANCIAL RESPONSIBILITY

Lock-ups are part of the Detachment building and are cost-shared accordingly.

RESPONSIBILITY FOR GUARD DUTIES

Responsibility for providing guards and/or matrons depends on who owns or leases the Detachment building. If the Detachment building is owned or leased by the federal government, the Corps of Commissionaires and/or guards provide guard duties. If the

Detachment building is owned or leased by a Municipality, employees of the Municipality provide guard duties. Either way, municipalities are responsible for 100% of the costs for guards and matrons for their Municipal Police Service.

ARTICLE 17 METHOD OF PAYMENT

PURPOSE

Article 17 sets out the process and timelines for payment of invoices by the PTs to Canada.

BACKGROUND

The 2012 Agreement establishes a 45-day timeline from the time the invoice is received. It replaces a 60-day timeline from the date of the invoice under the 1992 Agreement.

INTERPRETATION

The PT will pay invoices from Canada within 45 days of the date the jurisdiction receives the invoice. Payments will be made by cheque unless the Commissioner and the PT Minister agree in writing to another payment method (such as electronic transfer of funds).

Canada issues invoices quarterly on or around July 1, October 1, January 1 and March 31 of each Fiscal Year for one quarter of the estimated cost of the Service for that year. Each invoice corresponds with the billing period. The July invoice is issued for the fiscal period ending June 30 of the same year, and so on.

Any under- or over-payment by a PT in one Fiscal Year will be debited or credited on their first invoice of the next Fiscal Year.

All parties are aware Legislatures are constitutionally obligated to obtain the legal authority to spend money before funds can be released. The PT's financial administration legislation may limit the ability to pay invoices in some instances. The RCMP's ability to provide a contract police service is ultimately affected by the ability of the parties to finance those services.

ADMINISTRATION

RCMP National Headquarters prepares the contract policing invoices which are sent to The RCMP Division for verification. They are subsequently sent to the appropriate provincial or territorial ministry's office.

PTs may address payments to the Receiver General for Canada and send them by registered mail to:

The Commissioner of the RCMP

Attn: Contract Policing Financial Operations
73 Leikin Drive
M1 – 2nd floor mailstop #22
Ottawa, ON K1A 0R2

If the Commissioner and the PT Minister agree in writing, payment may be made by any other method.

ARTICLE 18: FINANCIAL PLANNING AND REPORTING

PURPOSE

Article 18 establishes a collaborative process for the CO and PT Minister to engage in multi-year, long-term financial planning and reporting for the Service and divisional/regional administration. This process ensures the contract parties discuss future resource requirements, increases financial accountability and transparency, while respecting the budgetary processes of both the federal and PT governments. It also provides the contract parties with information so they can jointly identify opportunities for cost containment and strengthened financial efficiency, where appropriate.

BACKGROUND

The 2012 Agreements provide a formal multi-year financial plan, establishing enhanced consultation between the CO and the PT Minister. Under the 1992 Agreements, financial planning was limited to one year.

Ensuring that the federal share of contract policing funds is available each year depends, in part, on accurate financial and resource forecasting by all contract policing jurisdictions. The RCMP, as a federal government entity, undertakes a comprehensive planning process for its annual Contract Policing Incremental Funding Treasury Board submission (submitted as part of Canada's Annual Reference Level Update, or ARLU). As part of this process, the RCMP analyzes planned growth, attrition rates, restructuring initiatives, transfers, etc., over all business lines in order to forecast the total number of additional personnel and incremental funding required for contract policing. Each Fall, the RCMP is required to provide detailed information in the federal Treasury Board submission to substantiate the requests of the contract partners for planned incremental contract policing growth for the next fiscal year.

The information provided by the PTs under Article 18 is critical for the preparation of the federal Treasury Board submission. As PT budget processes and timelines do not align with the federal ones, the approved PT budgets are not available when the federal Treasury Board submission is made. For this reason, it is the projected annual budgets and resource forecasts (together forming the "approval in principle" budget and personnel figures) which inform the development of the federal Treasury Board submission.

Enhanced consultation and collaboration between the CO and the PT Minister on financial matters and the planning and reporting processes outlined under this Article ensure that the budget processes of federal and PT governments are respected and

that all contract parties have the information they require to effectively manage the finances of the Service and divisional and/or regional administration.

INTERPRETATION

CONSULTATION PHASE

The CO and PT Minister will exchange information in order for the RCMP to prepare the projected multi-year financial plan (the Plan). The CO and PT Minister will determine the format and schedule for this exchange of information.

The information exchanged between the CO and PT Minister will include, at a minimum, the following:

- number of positions required for the Service;
- number of positions required for divisional and/or regional administration to support the Service;
- budgetary considerations affecting the Service and divisional and/or regional administration;
- proposed multi-year infrastructure and equipment plans;
- any significant deviation between the budget for the previous Fiscal Year and expenditures for the current Fiscal Year; and
- any other information agreed to by the CO and PT Minister.

THE MULTI-YEAR FINANCIAL PLAN (THE PLAN)

The PT Minister will determine whether the Plan covers three, four or five Fiscal Years. The Plan period begins on April 1 of the next Fiscal Year. The Plan will be updated annually for the current and following Fiscal Years, and is therefore a “rolling” financial plan. At the onset of each fiscal year, Divisions and PTs will engage in the divisional planning process as outlined in the multi-year financial plan timeline (see timeline at the back of Article 18 CoDo pg. 210). Following discussion and collaboration, the CO will provide the PT Minister with the Plan on or before June 1 each year.

Following consultation and collaboration on the development of the Plan and upon receipt of the Plan from the CO, the PT Minister will review the information and/or proposals described in the Plan.

Increases to resources proposed in the plan will be supported by a business case which will provide sufficient information for the jurisdiction to make the necessary decisions and satisfy their funding requests. If required by the PT, the template found at the end of Article 18, CoDo pg. 208-209 could be used, keeping in mind that some PTs may

require more information and others may require less. The level of information required will be confirmed between the Division and the PT representative.

BUDGET

The PT Minister will provide the projected annual budget for the Service and divisional and/or regional administration for the next Fiscal Year. If available, the projected budgets for the remaining years of the Plan will also be provided. The PT Minister will provide this information in writing to the CO by June 15. This letter is commonly referred to as the “approval in principle” letter.

Throughout the year, as the information becomes available, the PT Minister will provide the CO with updates on the projected annual budget for the next Fiscal Year. At the conclusion of the PT budget process, the PT Minister will provide the CO with a written letter confirming the approved annual budget for the Service for the next Fiscal Year. This letter will also include any known changes to the projected annual budgets for the remainder of the Fiscal Years in the Plan (i.e., years two, three, etc).

If the RCMP requests increases to the approved budget, the CO will obtain approval from the PT Minister where possible prior to enacting such changes.

FINANCIAL REPORTING

The CO will provide financial reports to the PT Minister at mutually agreed times throughout the year. These reports will have a standardized format and will contain the following information:

- details of the year-to-date expenditures and forecasted expenditures for the remainder of the current Fiscal Year;
- explanations for any significant variances from the annual budget approved by the PT Minister; and
- proposed changes or updates to the Service’s multi-year infrastructure and equipment plans.

The CO will provide the PT Minister with the following information in a standardized format by June 30 each year:

- accurate, detailed accounting of all actual expenditures for the Service; and
- explanations for any significant variances from the annual budget approved by the PT Minister.

Each Fiscal Year, the CO will also provide the PT Minister with a copy of the current Chart of Accounts. With reasonable notice, the CO will also provide any additional information that relates to financial implications on the Service.

EQUIPMENT PURCHASING APPROVAL

Equipment-Type A costing over \$150,000 requires the PT Minister's approval prior to its purchase. See Articles 11, 14, 15 and 18 for more information on Equipment-Type A. In practice, the RCMP will present a business case to the PT Minister seeking approval for Equipment-Type A purchases over \$150,000. A business case will provide sufficient information for the jurisdiction to make the necessary decisions and satisfy their funding requests. If required by the PT, the template found at the end of Article 18, CoDo pg. 208-209 could be used, keeping in mind that some PTs may require more information and others may require less. The level of information required will be confirmed between the Division and the PT representative.

STRENGTHENING FINANCIAL EFFICIENCY AND ADMINISTRATION

In addition to the other requirements of this Article, the contract parties will work together to strengthen the financial efficiency and administration of the Agreement. This may include developing and implementing ongoing initiatives to contain costs and improve long-term financial planning, with the goal of achieving greater predictability, efficiency and transparency when budgeting for future policing costs.

ADMINISTRATION

THE MULTI-YEAR FINANCIAL PLAN (THE PLAN)

The Plan should cover all of the items listed in bullets under the Consultation Phase above and should also clearly identify proposed changes to the number of positions and/or funding. In addition, as stipulated in other Articles of the Agreement, it should include an assessment of human resources (subarticle 8.3), accommodations (Article 12), and equipment needs (Articles 11, 14, 15 and 18) for the Service.

BUDGET

Approval in Principle Letter

The approval in principal letter is the key document that allows the RCMP to obtain funding from the federal Treasury Board for planned incremental contract policing growth. While not a formal commitment to the request for new FTEs, it does three things:

a) it allows the RCMP to provide proof to TB Ministers of the requests by the partners for new FTEs;

- b) it provides the RCMP with the necessary information to build detailed costing estimates; and,
- c) it formalizes the process and intent of requests for FTEs so that they are given appropriate significance (the RCMP and TB Ministers understand that the approval in principle does not represent final commitments and that final approvals on the part of the contract partners are confirmed via letters of confirmation).

The annual “approval in principle” letter from the PT Minister to the CO will be sent by June 15 each year. The letter will include the following information for the next Fiscal Year:

- approval in principle of the proposed PT budget for the Service and divisional and/or regional administration; and
- approval in principle of any changes in the number of personnel (Members and Support Staff) for the Service and divisional and/or regional administration.

Budget Confirmation Letter

At the conclusion of the PT budget process, the annual budget confirmation letter from the PT Minister to the CO will be sent. It will include the following information:

- confirmation of the approved PT budget for the Service and divisional and/or regional administration;
- confirmation of any changes in the number of personnel (Members and Support Staff) for the Service and divisional and/or regional administration; and
- an explanation for any difference between the most recent projected budget figure and the approved budget, including any suggestions for addressing the difference.

The letter will also include the following information for the subsequent Fiscal Years of the Plan, if this information is available:

- an update on any changes to the projected number of personnel required (Members and Support Staff); and
- an update on the projected PT budget for the Service and divisional and/or regional administration.

REPORTING REQUIREMENTS

Reports will be standardized across contract jurisdictions, where it is appropriate to do so.

The PT Minister may require ad hoc or tailor-made reports, which will be provided upon reasonable notice. Reports that evolve into regular reports should be shared with all

contract jurisdictions through CMC to determine if there is a broader need or application.

Business Case Template



CMC Information Document

ISSUE:

*Briefly describe the proposal being considered.

BACKGROUND:

*Explain in detail the related history, current situation, why the RCMP is considering the proposal, how this is relevant to the Contract Partners, etc

OPTION(S):

*Describe the option(s) being considered, include the pros and cons of the option(s).

*If there are multiple options, include the recommended option (if applicable).

RISKS:

*Describe risks for RCMP, Minister, Government of Canada and/or Contract Jurisdictions (ie: what could potentially occur if the RCMP did not implement this new proposal).

IMPLEMENTATION PLAN:

*If known, include a draft plan of how this proposal would be implemented and over what timeframe.

IMPACT:

*Describe the impact this has in relation to the governance, cost, quality or capacity of the RCMP.

*Outline the potential cost implications for the jurisdictions if this proposal is approved by the RCMP.

*This may include estimated costs per Province or Territory (PT) and whether the costs are one-time or on-going; effects on human resources capacity; reduction or increase in quality of Service.

*If required, PT may be requested to contact their Division to obtain potential local impact.

LEVEL OF CMC ENGAGEMENT BEING SOUGHT:

*Choose one of the five levels of engagement and describe what the RCMP would like from CMC:

- 1) Notification: notice of a matter or issue.
- 2) Information Sharing: intended to make all parties aware of an issue or proposal.
- 3) Discussion: Input and feedback is actively sought to obtain CMC's views and position.
- 4) Collaboration: Work in partnership with the intention of influencing, informing, and advising on options, recommendations and decisions, resulting in general agreement.
- 5) Consensus Driven: Working in partnership with input and feedback integrated or implemented and achieving unanimity of decisions.

*Example: 'Discussion: The RCMP would like to have CMC's input and feedback on this matter before a decision is made by RCMP National Headquarters.'

TIMELINE:

*State 1) anticipated date of decision, and 2) when feedback is required from CMC.

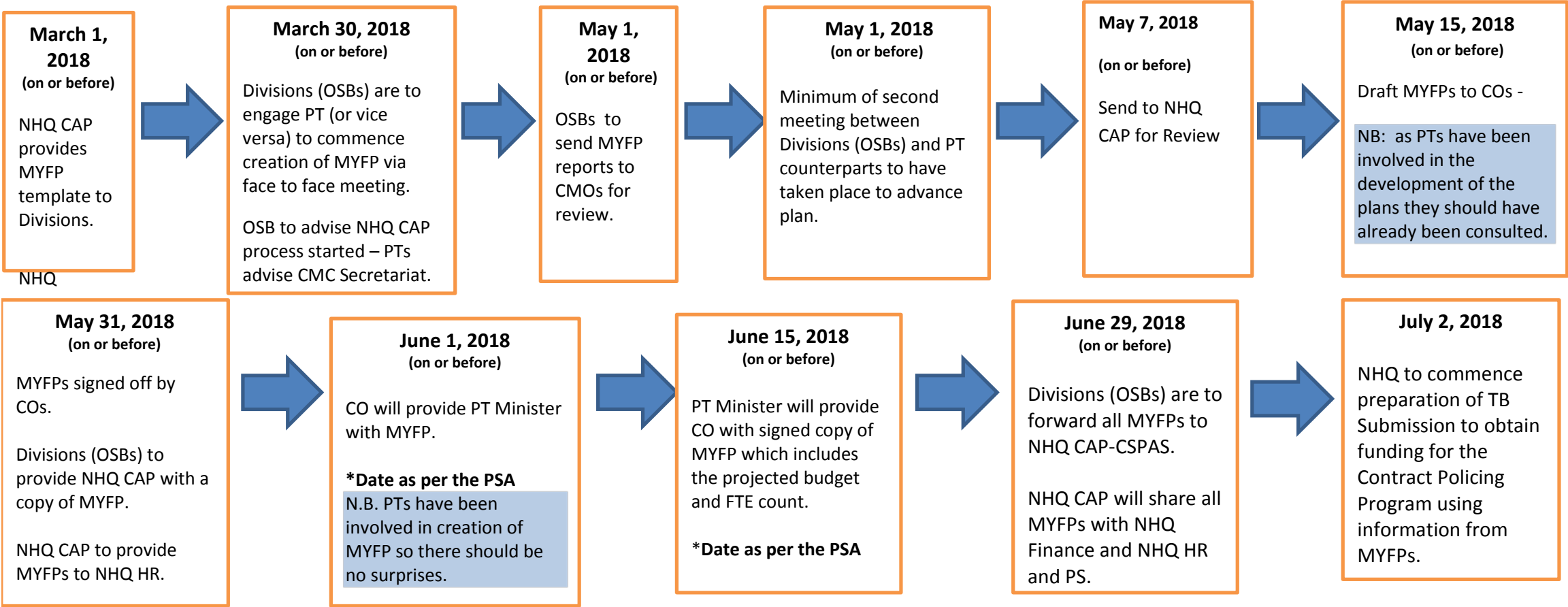
*Example: 'It is planned for this matter to be presented to RCMP Senior Executive Committee (SEC) in July, 2017 for a final decision. All CMC feedback on this matter is required by June 15, 2017 to ensure it is taken into consideration. All feedback from the CMC/PTs should come through the PT Secretariat who will forward the PT feedback to NHQ CAP.'

OTHER:

Upon request from CMC, the RCMP will make subject matter experts available to answer questions, attend meetings or tele-conferences.

*Advise CAP - CSPAS who is the contact person to answer questions on these matters.

Divisional Multi-Year Financial Plan (MYFP) Process Map
(Article 18 PPSA/TPSA, Article 17 MPSA)



Municipalities: -The process is identical for our Municipal Police Service Agreements **except** the Member in Charge (OIC or NCO i/c) replaces the CO and the CEO (Mayor) replaces P/T Minister

- Muni's under 15,000 – MYFPs can remain in the Division however Division must provide all MPSA FTE growth and FTE rate (as per table) in their Divisional MYFP
- Muni's over 15,000 – MYFPs will be sent to NHQ CAP Policing Agreements Section

ARTICLE 19: DIRECTED REVIEWS

PURPOSE

The purpose of Article 19 is to give PTs the ability to request in-depth reviews of a program or service in order to increase understanding, facilitate decision-making and improve accountability. The Article contains a provision that allows the contract parties to request that a matter be included in RCMP audit, evaluation, review plans, etc., and also describes the process for initiating and paying for Directed Reviews of the PT Police Service or activities undertaken in support of the Service.

BACKGROUND

In the 2012 Agreements, provisions on Directed Reviews (19 and 21.8) were included to strengthen accountability for financial management, and program and service delivery. These mechanisms are to help ensure that PT concerns about contract policing issues will be examined.

Article 19 refers to Directed Reviews relating to the PT Police Service, while subarticle 21.8 refers to Directed Reviews relating to RCMP Programs.

The mechanisms included under Article 19 and subarticle 21.8 are designed to minimize duplication and to utilize existing processes, if appropriate and desirable. As such, references in the Agreement to “departmental audit plan” are interpreted in the broadest sense; the term does not refer to a specific plan or report. “Departmental audit plan” includes any RCMP or federal government process related to audits, evaluations, reviews, etc.

A broad interpretation ensures that the ability to review RCMP Programs will be available to the PTs over the life of the Agreement, regardless of how the structure or processes of the RCMP and/or federal government may change in that time period, and regardless of whether the name and/or scope of specific plans change.

Federal legislation and policy requires federal departments to have an internal capacity to conduct both audits and evaluations. The RCMP Chief Audit and Evaluation Executive is responsible for: preparing multi-year audit and evaluation plans; updating these plans annually; conducting the reviews; and preparing an annual report for the Comptroller General of Canada.

The RCMP plans, known as the Risk Based Audit Plan (RBAP) and the Departmental Evaluation Plan (DEP), identify projects to be conducted over a three- and five-year period respectively. The plans are refreshed annually. Final decisions on the selection of projects for both the RBAP and DEP rest with the Commissioner.

Divisions engage in various processes that relate to Directed Reviews of the Service or activities undertaken in support of the Service. Some of these reviews are planned in advance and operate within an annual cycle, while others take place on an ad hoc basis in response to a specific incident or event.

INTERPRETATION

The Article contains distinct provisions for reviews that are nationally coordinated (19.1) and those that are locally coordinated (19.2).

NATIONALLY COORDINATED

Paragraph 19.1(a) provides CMC with a formal mechanism for proposing that an activity undertaken in support of one or more Service(s) be included in one of the nationally coordinated review plans (e.g., RBAP, DEP or similar successor). For this to occur, CMC will make this request in writing to the RCMP.

In addition, each year the RCMP will provide CMC with a description of matters relating to any PT Police Service included in any of the nationally coordinated plans, including the current RBAP and DEP. This reporting requirement ensures contract jurisdictions are aware of planned reviews, thereby creating the opportunity for them to have input and minimizing the possibility of unknowingly duplicating a review. There is nothing in the Agreement to prevent an issue being reviewed simultaneously or subsequently under different review mechanisms; in certain circumstances, contract parties may determine this is the best means of obtaining the information required.

LOCALLY COORDINATED

Subarticle 19.2 describes the mechanism for the CO to consult with the PT when locally coordinated review plans are being developed and provides for the PT to have matters relating to the Service reviewed by the Division, or an Independent Reviewer.

A Directed Review is a thorough analysis that examines whether services and/or activities are relevant, effective, efficient, accountable and/or operating in compliance with applicable standards. A Directed Review can be conducted on any matter that is related to the Service or the delivery of policing services in the contract jurisdiction. It would be conducted at the Division level, by either the RCMP or an Independent Reviewer (defined in 19.2(e)).

The CO will consult with the PT Minister when the Division is developing review plans. To reduce duplication and fit within existing processes where appropriate and desirable, the RCMP will share existing plans and give the PT the opportunity to contribute to those plans.

The RCMP (or an Independent Reviewer if the PT so chooses) will conduct reviews requested by the PT unless it is not reasonably possible.

The subject matter, scope, timing and any other requirements of any review requested by the PT will be mutually agreed upon by the CO and PT Minister. Similarly, the extent of involvement of PT officials will be mutually agreed by the CO and the PT Minister.

At the PT Minister's request, a mutually agreed upon, independent third-party will be appointed to conduct the review. If the PT Minister does not specifically request that an Independent Reviewer be engaged, then RCMP staff will conduct the review.

Independent Reviewers are subject to the same RCMP internal protocols, procedures and practices with respect to the protection of information and security requirements as the RCMP itself. Independent Reviewers will be given access to the necessary information while ensuring that applicable laws and federal policies are not compromised.

If an Independent Reviewer is appointed at the request of the PT Minister, the PT will pay 100% of the costs of the Directed Review. The Independent Reviewer may be hired by the RCMP or by the PT.

All reports prepared as a result of a PT request under this Article will be provided to both the PT Minister and the CO as soon as completed.

ADMINISTRATION

NATIONALLY COORDINATED

The RCMP plans (RBAP and DEP) contain descriptions of each project, including the rationale for selection, the preliminary objective and scope, and the responsible program area/office of principal interest. As part of the stakeholder consultation phase of the annual refresh process for RBAP and DEP, the RCMP Chief Audit and Evaluation Executive will:

- provide CMC with copies of the current approved version of these plans in June/July each year; and
- write to CMC to request CMC's input on matters for inclusion in these plans (usually in January/February each year).

The request will specify the information CMC should provide for each proposed matter, including: the rationale for proposed projects; associated risk and impact of project; known weaknesses; and significance, etc.

After reviewing the information, CMC co-chairs, on behalf of CMC, will provide the RCMP Chief Audit and Evaluation Executive with a written response, proposing new

matters that are of interest to CMC, including the details outlined above, and an indication of how significant each issue is to CMC (including prioritization).

The projects proposed by CMC will be considered by the RCMP alongside other proposed projects and will be weighed using the same criteria. The Commissioner will make the final decision on which projects are selected for inclusion in the plans.

On a periodic basis, the RCMP Chief Audit and Evaluation Executive will provide CMC with an update on progress in implementing the projects identified in the RCMP plans. He or she will also inform CMC when completed reports are published on the RCMP website.

LOCALLY COORDINATED

Every year, the CO will:

1. Provide the PT Minister with a copy of the draft annual review plan(s).
2. Consult with the PT Minister on the content of the plan, giving the PT the opportunity to include issues that relate to the Service, and/or identify issues in the plan which are a high priority to the PT (in order to assist with the scheduling of projects).

There may be circumstances where an issue arises after the completion of the plan and a review is required as soon as possible. The RCMP and PT will work together to re-prioritize the planned reviews and ensure an ad hoc review can be conducted in a timely manner, whenever possible.

For those projects identified by the PT, the subject matter, scope, and timing of the Directed Review will be agreed to by the CO and PT Minister. In addition, these parties will determine the level of involvement of PT officials in the review.

If the PT would like the Directed Review to be conducted by an Independent Reviewer, then the CO and PT Minister will determine whether the RCMP or the PT will hire the Independent Reviewer. The selection of the Independent Reviewer needs to be agreed upon by the CO and PT Minister. The PT is responsible for 100% of the costs of the Independent Reviewer, unless the PT Minister and the CO mutually agree to an alternative arrangement.

When contracts for Independent Reviewers are entered with the RCMP, this is done in accordance with Canada's contracting and procurement practices and procedures, directives of the Treasury Board of Canada and the Government Contract Regulations.

Independent Reviewers are subject to the same RCMP internal protocols, procedures and practices with respect to the protection of information and security requirements as the RCMP. Independent Reviewers will be given access to the necessary information while ensuring that applicable laws and federal policies are not compromised.

For reviews conducted by an Independent Reviewer, the CO and PT Minister will discuss how the process will be managed, including whether an Advisory Committee will be formed, etc.

COs will share the Division's annual review plans with RCMP National Headquarters, through CAP. To maximize efficiencies and avoid redundancy of reviews, CAP will keep track of basic information on any Directed Review conducted on any contract policing matter across the country. The CO will provide the following information to CAP for each Directed Review requested by the PT: subject matter; rationale for proposed project; associated risk and impact of project; timelines for completion.

CAP will maintain a copy of all Directed Reviews conducted by the RCMP and PT. A copy of the review may be shared with CMC if both the PT and the RCMP agree.

Appropriate risk management practices will apply where the matter requires confidentiality or Cabinet confidence.

Table 10: Summary of the principal elements of a locally coordinated Directed Review

Main Features	Directed Review (Subarticle 19.2)
Purpose:	<p>Mechanism for use by the PT <u>to review services in one Division</u> to determine their relevance, effectiveness, efficiency, compliance with standards and/or accountability framework.</p> <p>This type of review is meant to provide a documented evidence-based analysis of a specific area of interest to the PT with a view to informing decisions on programs/activities.</p>
Scope:	Local matters that are in the area of competence/responsibility of the PT under the Agreement in relation to the delivery of police services.
Process and Facilitators:	<ul style="list-style-type: none"> Facilitated by one PT and one RCMP Division Issues for review, scope and other requirements are decided by mutual consent of the PT and The RCMP Division Reviews can be conducted by a third party (agreeable to both parties)
Costs	<ul style="list-style-type: none"> If PT requests Independent Reviewer then PT responsible for 100% of the costs, unless the PT and The RCMP Division mutually agree to an alternative arrangement

Main Features	Directed Review (Subarticle 19.2)
Example of Subject Matter:	<ul style="list-style-type: none">• Examine the efficiency of an Integrated Unit on car theft.• Examine the use of special leave by members of the Service and how it is affecting vacancies in the Service.
Possible Outcomes:	Improved program or service delivery and value for money.
Frequency:	Directed Reviews will occur as necessary. Capacity and resource availability will be considered. Directed Reviews may form part of the Division annual review plan or they may be conducted on an ad hoc basis.

ARTICLE 20: BILATERAL REVIEWS

PURPOSE

Article 20 provides a review mechanism by which the parties may examine emerging issues or resolve issues as they arise, in relation to the specific implementation of the Agreement in a province or territory. It can also constitute a bilateral means to raise a concern, examine the issue and reach resolution, before and instead of using the formal Dispute provisions under Article 23.

BACKGROUND

Although the Agreements were negotiated collectively, each of the 11 contract jurisdictions has a bilateral Agreement entered into between Canada and the PT. Bilateral reviews were introduced in the 2012 Agreements to provide a more formal mechanism for addressing issues of concern to one province or territory in relation to the application or implementation of the Agreement in a specific province or territory. Bilateral reviews differ from Directed Reviews conducted under Articles 19 or 21 where the performance of a service delivered by the RCMP is the focus of the review.

INTERPRETATION

Public Safety Canada and a PT may engage in a bilateral review to address issues related to the application or implementation of the Agreements in a specific province or territory. The parties should consider conducting a bilateral review to resolve an issue before initiating a Dispute under Article 23, particularly in situations where fact-finding and research could be the key to untangling a disagreement.

Either the Federal or PT Minister may initiate the bilateral review process. The initiating party will notify the other party in writing, with full details of the issue it wishes to review. The party notified of the matter will reply in writing as soon as possible. The notified party may agree to the proposal to have the review or reply with a counter proposal, including written details.

Bilateral reviews may occur at any time during the term of the Agreement. The frequency, scope and subject matters to be reviewed are at the discretion of the two parties. Neither the PT nor Canada can propose that the cost-share arrangement (outlined in Articles 11 and 12) be the subject of a bilateral review unless the parties explicitly agree otherwise.

The outcome of a bilateral review could potentially be a change to the Agreement itself, or a change in policy or practice. Any changes would be assessed to determine their

applicability to other PTs. Any amendments to the Agreement resulting from a bilateral review will not come into effect until federal and PT ministerial approvals are obtained and agreement between the two parties is recorded in writing in accordance with Article 25.

ADMINISTRATION

Although not required by the Agreement, the two parties involved in the bilateral review may inform the Contract Management Committee (CMC) of the intent to begin the review process, specify the nature of the issue(s) and periodically update CMC on the progress of the review, particularly if the issue has relevance to the other PTs.

BILATERAL REVIEW PROCESS:

Notification will occur in accordance with Article 24, whereby letters are exchanged between the Federal and PT Ministers. Ministers will identify the representatives who will facilitate the review on their behalf. Depending on the issue or scope of the matter to be reviewed, the Federal Minister may delegate the review to RCMP at the Division level. If this occurs, the CO will ensure the review is conducted in consultation with RCMP National Headquarters, through CAP.

Bilateral reviews will be conducted by the parties' representatives or officials working within their respective organization. While the Agreement does not contemplate the use of an Independent Reviewer to conduct the review, the parties may mutually agree to engage the services of a third party as a subject matter expert or Independent Reviewer. Any such arrangement will outline the terms for the participation of the third party, including how costs will be paid.

The review can be as straightforward as a fact finding exercise or take a more complex form, such as a comprehensive impact analysis of a new legal or policy requirement.

To maximize efficiencies and avoid redundancy of reviews, RCMP National Headquarters, CAP, will act as a central repository, keeping track of basic information for each review conducted (e.g., subject matter, issue, timelines, and source of review such as evaluations, quality assurance review, etc.). The CO will be responsible for reporting this information to CAP for any bilateral reviews conducted at the Division level.

CAP will maintain a copy of all bilateral reviews conducted by the RCMP and PT. For bilateral reviews conducted by Public Safety Canada and the PT, both the Federal and PT Ministers' agreement must be obtained before a copy of the completed review is shared with CAP. A copy of a bilateral review may be shared with CMC if both the PT and the RCMP or Public Safety Canada agree.

Appropriate risk management practices will apply where the matter requires confidentiality or Cabinet confidence.

Table 11: Summary of the principal elements of the bilateral review

Main Features	Bilateral Review (Article 20)
Purpose:	<p>Mechanism for use by Public Safety Canada (or delegated to RCMP) and the PT to bilaterally review issues arising out of the implementation of the Agreement.</p> <p>This type of review provides a formal mechanism to address issues of concern to one province or territory.</p> <p>A bilateral review should be considered before initiating a Dispute, especially if fact finding and research may untangle a disagreement.</p>
Scope:	<p>Generally, any issue arising out of the implementation of an Agreement in one contract jurisdiction, or a new or emerging issue.</p> <p>The review can be as straightforward as a fact finding exercise or take a more complex form, such as a comprehensive impact analysis of a new legal or policy requirement.</p> <p>The cost-share ratios can only be reviewed if Public Safety Canada and the PTs expressly agree to do so.</p>
Process and Facilitators:	<ul style="list-style-type: none"> • Facilitated by one PT and one Canada (Public Safety Canada or delegated to RCMP) • Issues for review are submitted by one party to the other (Minister to Minister) • Scope and other requirements are decided by mutual consent of the parties • Reviews conducted by the parties • Agreement does not contemplate third party reviewer or subject matter expert however one may be engaged if both parties agree
Examples of Subject Matter:	<ul style="list-style-type: none"> • Examine divisional administration costs relevant to a specific PT. • Examine a possible discrepancy between billing and the usage of square footage of accommodations in use by the Service. • Examine where the Agreement may be affected by a new Police Act being introduced.
Possible Outcomes:	<ul style="list-style-type: none"> • Changes to a single Agreement (<i>only in some instances, not for all possible subject matters and by mutual agreement of both parties</i>) • Change in policy or procedures, or invoice amount.
Frequency:	As and when required by the parties.

ARTICLE 21: CONTRACT MANAGEMENT COMMITTEE

PURPOSE

Article 21 establishes the principal terms for CMC to fulfill its governance role in relation to the Agreements. The Article stipulates CMC's structure and basic operative work, its mandate as well as the role of the various members of CMC: Public Safety Canada, the PTs, the RCMP and the Municipalities (as Associate Members). It also provides a mechanism for CMC to review RCMP Programs, either through consultation on nationally coordinated review plans or by conducting Directed Reviews.

BACKGROUND

CMC replaces the Contract Advisory Committee that was responsible under the 1992 Agreement for the implementation and operation of that Agreement. The change in terminology (management instead of advisory) reflects the strengthened governance and accountability of the contract parties. The contract parties committed to working together and to consult and collaborate with each other regarding substantive decisions affecting the quality and cost of the policing services.

CMC adopted Terms of Reference to further establish how CMC organizes itself, how meetings are conducted, as well as describing the support CMC receives through standing committees, working groups and the Secretariat.

Subarticle 21.8 contains new provisions for PTs to be consulted (through CMC) when nationally coordinated review plans are being developed for RCMP Programs, and provides a mechanism for CMC to request that a Directed Review of a RCMP Program be conducted. See the Background section of Article 19 in this document for more information on the addition of Directed Reviews to the 2012 Agreements as well as information on federal government review mechanisms.

INTERPRETATION

CMC provides a forum through which Public Safety Canada, PTs and RCMP will share information, consult, collaborate, and resolve issues. Issues relating to RCMP municipal police services may also be raised and addressed by CMC.

The role of CMC is to:

- support the delivery of professional, efficient and effective police services under the Agreements;

- provide a mechanism to ensure the evolving needs of each contract party can be met; and
- provide a forum for information sharing to foster timely consultation and collaboration on service delivery, policing policies and other issues affecting the governance, cost, capacity or quality of police services and RCMP Programs, prior to decisions being made. For example, any proposed changes to RCMP standards or operational policies that may result in an increase or decrease in the costs to any contract party (including Municipalities) will be brought to CMC.

CMC COMPOSITION/STRUCTURE

CMC will hold in-person meetings at least twice per year and more frequently as circumstances may require.

CMC is comprised of one representative from each of the provinces and territories which have entered into a Police Service Agreement with Canada, one representative from Public Safety Canada and one representative from the RCMP.

CMC is co-chaired by one representative from Public Safety Canada and one representative for the provinces and territories.

The co-chairs are responsible for:

- overall leadership of CMC;
- determining the time, manner and place of each meeting;
- providing each other with a written record of the views expressed by Canada and the RCMP (federal co-chair) and the PTs (PT co-chair) in a reasonable and timely manner; and
- coordinating issues to be considered by CMC.

PT representatives may also each appoint one Associate Member to CMC to represent Municipalities with RCMP agreements from their respective jurisdiction. Associate Members are entitled to:

- attend all CMC meetings as an observer;
- receive all meeting related materials;
- participate on sub-committees; and
- make a presentation at one CMC meeting per year.

The Associate Member cannot be a co-chair. CMC's Terms of Reference expand the role of Associate Members so they are able to participate actively in all CMC meetings and not limited to one presentation per year, as per the Agreement. The Terms of Reference can be found in Appendix B of this document.

CMC members have various responsibilities stipulated in the Agreement. Some of these responsibilities are broadly linked to the mandate of CMC and include:

- raising all issues and proposals that may affect governance, costs, quality or capacity of the RCMP, in advance of the decision being made;
- specifically on cost, reviewing and assessing any proposal that may affect cost items, allocation formulae or costing methodologies;
- providing all relevant information on all issues and proposals under consideration;
- providing oversight on the application and interpretation of the Agreements;
- seeking consensus on all matters brought to its attention; and
- resolving issues and disputes in a timely and effective manner.

Other responsibilities, more procedural in nature, are part of the collective proceedings at CMC and include:

- facilitating the Five-Year Review process (information on Five-Year Reviews is captured in Article 22);
- updating and approving changes to the Companion Document;
- supporting the committee itself, including setting operating procedures (records of discussion and secretariat support services) and the ability to create standing or ad hoc sub-committees; and
- determining how costs associated with CMC will be shared amongst its members.

Communications with decision makers

Prior to decisions being made, CMC members will ensure that the results of CMC discussions and the written records provided by co-chairs are communicated to those in their respective jurisdictions responsible for making those decisions.

MULTI-YEAR FINANCIAL PLAN FOR RCMP PROGRAMS

RCMP Program is a term defined under Article 1.

One of the roles of CMC is to provide a forum for achieving consensus of support for the RCMP Multi-Year Financial Plans (the Plan). By September 15 each year, the Commissioner will provide CMC with the Plan for the following programs:

- Accommodations;
- Recruiting;
- Cadet Training at Depot; and
- The Police Dog Service Training Centre (PDSTC).

The tabling of the Plans signals the beginning of the consultative process at CMC with the objective of achieving a consensus of support for the Plans. CMC members will make reasonable efforts to achieve effective and timely resolution of all matters that may be raised in respect of any Plan.

Occasionally, CMC may request that a Plan be provided for other RCMP Programs and the Commissioner will make best efforts to provide those plans.

The information in the Plans will, at a minimum, cover three Fiscal Years (starting with the next Fiscal Year) and address the following:

- any budgetary considerations affecting the PT Police Services;
- any proposed multi-year infrastructure and equipment plans;
- any significant deviation between the Plan for the previous Fiscal Year and the expenditures for the current Fiscal Year; and
- any other information necessary for CMC's review and consultation.

If CMC has not indicated a consensus of support by December 15, then the PT CMC co-chair will, within a reasonable time, provide a written record to the Commissioner setting out the part(s), of the Plan(s) that are not supported by CMC, along with an explanation. The Commissioner will provide a written response within a reasonable amount of time.

While not required in the Agreements, CMC has agreed that the December 15 deadline will be used for all the plans submitted in accordance with Article 21, including Plans for Accommodations, Recruiting, Cadet Training at Depot and PDSTC.²⁸

The Plan on accommodations is quite different than the Plans for Recruiting, Cadet Training at Depot and PDSTC. It consists of a national summary and analysis of the individual accommodations plans that are approved bilaterally with each PT.

REVIEWS OF RCMP PROGRAMS

Subarticle 21.8 stipulates two distinct mechanisms for CMC-requested reviews of RCMP Programs. The first is that CMC may propose that a matter be included in the nationally coordinated plans (i.e., RBAP, DEP, or similar successor) and the second is that CMC may request an ad hoc Directed Review.

Each year, the Commissioner's approved plans (RBAP and DEP) will be provided to CMC. This ensures PTs are aware of planned engagements, thereby creating the opportunity for them to have input and minimizing the possibility of unknowingly duplicating a review. There is nothing in the Agreement to prevent an issue being

²⁸ This decision is recorded in the CMC Record of Decision for the November 6-7, 2012 meeting.

reviewed simultaneously or subsequently under different review mechanisms; in certain circumstances, contract parties may determine this is the best means of obtaining the information required.

Each year, when nationally coordinated plans are being developed, the Commissioner will consult and provide CMC with the opportunity to propose specific issues relating to RCMP Programs for the nationally coordinated plans.

Directed Reviews of RCMP Programs

Subarticle 21.8 provides CMC with a formal mechanism for requesting that a Directed Review be conducted on an issue related to RCMP Programs. A Directed Review can be conducted on any matter that is related to RCMP Programs or any activity undertaken in direct support of the provision and maintenance of more than one Service. These Directed Reviews can be conducted by the RCMP or an Independent Reviewer.

Paragraph 21.8(c) stipulates that the RCMP will participate in reviews requested by CMC to the extent reasonably possible. The subject matter, scope, timing and any other requirements of any review requested by CMC will be mutually agreed upon by CMC and the Commissioner.

The CMC PT co-chair may request a mutually agreed upon, independent third-party be appointed to conduct the review; this request cannot be unreasonably denied. If the PT co-chair does not specifically request that an Independent Reviewer (defined in 21.8(e)) be engaged, then RCMP staff will conduct the review.

Independent Reviewers are subject to the same RCMP internal protocols, procedures and practices with respect to the protection of information and security requirements as the RCMP itself. Independent Reviewers will be given access to the necessary information while ensuring that applicable laws and federal policies are not compromised.

If the Directed Review is conducted by an Independent Reviewer that is hired by the RCMP, then the costs of the review will be included in the costs of the PT Police Service and therefore cost-shared at a ratio of 70% PT and 30% federal. The costs will be allocated to each PT by taking the total cost of the Directed Review and dividing it by the total FTE Utilization of Members for all PT Services (to get a per Member rate) then multiplying it by the FTE Utilization of Members for each PT Service..

All reports prepared as a result of a Directed Review will be provided to CMC and the Commissioner as soon as possible after completion.

ADMINISTRATION

TERMS OF REFERENCE

Terms of Reference approved by CMC provide additional details on CMC and its operation.

STANDING COMMITTEES AND WORKING GROUPS

Five standing committees have been approved by CMC (at the first CMC meeting held in June 2012) to assist with the implementation of the Agreements. The committees and their mandates (as approved in their Terms of Reference) are:

- Finance and Cost Containment - identify, research and analyze issues to strengthen the overall financial efficiency and administration of the Agreements and be the primary forum of consultation on any issues related to the cost of the contracted police services.
- National Programs (i.e., RCMP Programs) - identify, research and analyze issues related to the efficiency and effectiveness of RCMP Programs and be the primary forum of consultation on any issues related to these programs (primary focus on Recruiting, Cadet Training at Depot and Police Dog Service Training Centre).
- Human Resources - engage contract parties on human resource related issues as they relate to the Agreements, namely, pension rates, pay and benefits, modernization of health benefits, etc.
- Real Property - collaboratively develop the reporting requirements for the accommodations program and be the primary forum of consultation on any issues related to the implementation of the program.
- Current Issues - identify, research and analyze emerging issues and any other issues that do not fall under the mandate of other Standing Committees.

As and when required, CMC will also establish working groups to assist with a variety of issues. For instance, CMC established a working group to complete the Companion Document.

ROLE OF CMC

Rules of Engagement

In order for the CMC to fulfill its governance role in relation to the cost, quality, governance or capacity of contract police services or RCMP programs, all parties as well as the RCMP, agree that the CMC Rules of Engagement Standard Operating Procedure as attached at the end of Article 21 CoDo pg. 232-242 will be adhered to. To ensure the CMC Rules of Engagement Standard Operating Procedure is functioning as

intended, it will be reviewed annually as an item on the fall CMC officials meeting agenda.

Information Sharing:

Information sharing occurs when CMC members provide information to CMC as a whole about what their organization is doing and how they are doing it.

The intent of information sharing is to make all contract parties aware of an issue. Information sharing is not the equivalent of consultation, however, it may lead to consultation.

A party's response to information sharing should not be construed as support for, or rejection of, the initiative, program, service or policy about which the parties are being informed. If support or approval is sought, it should be made clear that the information is being shared with the purpose of initiating consultation and, eventually, support or approval.

Information Sharing Process

An issue/item for information sharing will follow the CMC Rules of Engagement Standard Operating Procedure as attached at the end of Article 21 CoDo pg. 232-242.

Consultation

Various types of consultation exist within the PSAs. The following definitions have been provided:

Notification: Notice will be given by one party to the other party, in writing and sent by email, regular or registered mail, courier or facsimile.

Information Sharing: One to one exchange of information intended to make all parties aware of an issue or proposal.

Discussion/Advisement: Input and feedback is actively sought between parties with the intention of obtaining the parties' views and positions to ensure decisions being made are fully informed.

Collaboration: Work in partnership with the intention of influencing, informing, and advising on options, recommendations and decisions, resulting in general agreement.

Consensus-Driven: Work in partnership with input and feedback integrated or implemented and achieving unanimity of decisions.

For CMC, the consultation process is synonymous with the use of the term 'meaningful engagement' in the Preamble of the Agreement.

Consultation is required before any contract party (Public Safety Canada, the RCMP, PTs) makes a decision that may impact the cost, quality, governance or capacity of contract police services or RCMP Programs.

The intent of consultation is to obtain all contract parties' views and input on contract policing matters to ensure that fully informed decisions are made.

The CMC federal co-chair will ensure the views of Public Safety Canada and the RCMP are documented in writing, and the CMC PT co-chair will ensure the views of the PTs are similarly documented (including Municipal views where applicable).

Each CMC member will ensure that information is communicated to the decision maker in their jurisdiction, as needed, when authorities are required.

The contract parties will make all efforts to provide information and conclude consultations in a timely manner.

This consultation process does not equate to providing support or approval. If support or approval is expected or required, this should be clearly stated by the requesting party.

Consultation Process

To raise an issue at CMC, the CMC Rules of Engagement Standard Operating Procedure must be followed as outlined at the end of Article 21 CoDo pg. 232-242.

Should a party require assistance or clarification, they should contact the CMC Secretariat.

To raise an issue that doesn't require prior consultation, the following process may be followed:

1. A CMC member will contact the co-chairs to have the issue added to the next appropriate meeting's agenda (in-person or teleconference, scheduled or extraordinary, etc.).
2. The CMC member will provide CMC with an explanation of the matter in sufficient detail, and within a reasonable period of time, to permit CMC members to prepare their views on the issue prior to meeting.
3. CMC co-chairs will raise the issue as an agenda item, allowing adequate time for full discussion and an opportunity for CMC members to present their views on the matter.
4. All members of CMC will give fair consideration to other members' views.
5. The nature of the discussion will be recorded in the meeting's minutes, including any areas of consensus or disagreement.
6. As required, CMC members will inform decision makers in their jurisdiction.

Issue Resolution

CMC will make reasonable efforts to achieve effective and timely resolution of all matters brought to it for consideration, including reaching a consensus of support on each matter, if required. It is anticipated that most, if not all, issues common to multiple PTs will be referred to CMC for discussion and resolution before other avenues are pursued (i.e., raising issue to Deputy Ministers or Ministers either informally or as described in Articles 20 or 23). However, in some cases, a Minister may wish to raise an issue directly and immediately to his/her counterpart.

REVIEWS OF RCMP PROGRAMS

See section in Article 19 of the Companion Document for an explanation of how RCMP will consult and report on RCMP plans.

A Directed Review can be considered if an issue is not selected for inclusion in either the RBAP or the DEP, or CMC would prefer that a Directed Review be conducted separately from these frameworks (e.g., the issue is time-sensitive).

The subject matter, scope, and timing of any Directed Review will be agreed upon by the Commissioner and CMC. In addition, these parties will determine the level of PT involvement in the review.

If the PTs want the Directed Review to be conducted by an Independent Reviewer, the CMC PT co-chair will inform CMC and this information will be included in the proposal to the RCMP on Directed Reviews, seeking the concurrence of the Commissioner on the selection of the Independent Reviewer. Either the RCMP or a PT can hire the Independent Reviewer.

If the RCMP hires the Independent Reviewer, then the costs will be allocated to each PT by taking the total cost of the Directed Review and dividing it by the total FTE Utilization of Members in all PT Services (to get a per Member rate) then multiplying it by the FTE Utilization of Members for each Service.

If the PTs hire the Independent Reviewer, the parties will agree beforehand how the costs will be shared.

Independent Reviewers are subject to the same RCMP internal protocols, procedures and practices with respect to the protection of information and security requirements as the RCMP. Independent Reviewers will be given access to the necessary information while ensuring that applicable laws and federal policies are not compromised.

When contracts for Independent Reviewers are entered with RCMP, it is done in accordance with Canada's contracting and procurement practices and procedures, directives of the Treasury Board of Canada and the Government Contract Regulations.

For reviews conducted by an Independent Reviewer, CMC will discuss how the process will be managed, including whether an Advisory Committee will be formed, etc.

To maximize efficiencies and avoid redundancy of reviews, RCMP National Headquarters, through CAP, will keep track of basic information on any Directed Review conducted on any contract policing matter across the country. This information will include: subject matter; rationale for proposed project; associated risk and impact of project; and timelines for completion.

CAP will maintain a copy of all Directed Reviews conducted by the RCMP and CMC.

Appropriate risk management practices will apply where the matter requires confidentiality or Cabinet confidence.

Table 12: Summary of the principal elements of an RCMP Program Directed Review

Main Features	CMC Directed Review (Subarticle 21.8)
Purpose:	<p>Mechanism for contract parties to review RCMP Programs to determine relevance, effectiveness, efficiency, compliance with standards and accountability framework.</p> <p>This type of review is meant to provide a documented evidence-based analysis of a RCMP program of interest to CMC with a view to informing decisions/activities.</p>
Scope:	RCMP Program is defined as “an activity, or any portion thereof, undertaken by the RCMP in direct support of the provision and maintenance by Canada of more than one PT police service [...] if the costs incurred by Canada as a result of that activity are shared under this Agreement...”
Process and Facilitators:	<ul style="list-style-type: none"> • Facilitated by CMC • Issues for review are mutually agreed upon by CMC • Scope and other requirements are decided by mutual consent of CMC and Commissioner • Reviews can be conducted by a third party
Costs:	<ul style="list-style-type: none"> • Directed Reviews conducted by an Independent Reviewer hired by the RCMP are shared in accordance with the formula in subarticle 21.8 • Directed Reviews conducted by an Independent Reviewer hired by a PT are cost-shared as mutually agreed by the parties
Example of Subject Matter:	<ul style="list-style-type: none"> • Examine the accountability framework of the national recruiting program
Possible Outcomes:	Improved program or service delivery and value for money.
Frequency:	Directed Reviews will occur as necessary and mutually agreed by CMC. Capacity and resource availability will be considered.

Standard Operating Procedure CMC Rules of Engagement

Objective

The Standard Operating Procedures (SOPs) – CMC Rules of Engagement set out the process that each implementing party as well as the RCMP (the parties²⁹) must adhere to when issues impacting the cost, governance, quality or capacity of the Service or RCMP program are identified.

Responsibilities

The roles and responsibilities of the parties are defined to ensure an understood level of engagement occurs in a timely manner. Creating and following an agreed to SOP will assist in meeting expectations of all parties and providing the foundation for a strong working relationship in line with the spirit and intent of the PSA. All parties agree to make best efforts to diligently adhere to the SOPs to foster and maintain a positive and effective relationship to avoid significant repercussions including, but not limited to; items not being tabled for CMC discussion, feedback from parties not being considered in the decision-making process, the triggering of disputes or potential financial implications.

Public Safety Canada (PS): As the CMC Co-Chair, PS will review, assess, and facilitate any proposals and issues that may invoke engagement within the PSAs.

CMC Secretariat: The Secretariat is provided by PS to support CMC in the coordination and organization of all CMC activities. As per the CMC Terms of Reference the duties include, but are not limited, to:

- Preparing and disseminating materials in support of CMC in a timely manner;
- Coordinating communications and briefings from the RCMP and other stakeholders on issues that may affect contract policing; and

²⁹ The parties include Public Safety Canada, Provinces and Territories, Municipalities and the RCMP.

- Discussions will be recorded and draft records of discussion/decision will be distributed to CMC members within two weeks of each meeting for review and approval by CMC members.

In addition, the CMC Secretariat and PT Secretariat will work collaboratively to triage and prioritize issues to ensure timely dissemination of information whenever necessary.

RCMP: The RCMP will bring to the attention of the CMC any issues or proposals that will or may trigger impacts to the cost, governance, quality or capacity of the Service or RCMP program during planning stages, prior to decisions being made.

Provinces and Territories (PT): As a member of the CMC, PTs will review and assess any proposal that may affect the cost, governance, quality or capacity of the Service or RCMP program. When needed, PTs will also raise issues that fall within the purview of the PSA.

PTs will provide any necessary material to the Municipalities.

All parties must be active participants at the CMC table and must ensure that at least one designate has the authority to speak and take positions for their respective jurisdiction. The PT Secretariat will assist in coordinating communications and briefings amongst PTs and other stakeholders on issues affecting contract policing.

Municipalities: As stakeholders in the PSA, municipalities will, where possible, provide feedback on issues and proposals impacting the cost, governance, quality or capacity of the Service or RCMP program. Municipalities will also raise any issues concerning the cost, governance, quality or capacity of the Service to their respective Province or Territory so that it may be raised at the CMC table.

Definitions

Levels of Engagement include:

Notification: Notice will be given by one party to the other party, in writing and sent by email, regular or registered mail, courier or facsimile.

Information Sharing: One to one exchange of information intended to make all parties aware of an issue or proposal.

Discussion: Input and feedback is actively sought between parties with the intention of obtaining the parties' views and positions to ensure decisions being made are fully informed.

Collaboration: Work in partnership with the intention of influencing, informing, and advising on options, recommendations and decisions, resulting in general agreement.

Consensus Driven: Working in partnership with input and feedback integrated or implemented and achieving unanimity of decisions.

Information Document: Information document will be based on a mutually agreed upon minimum elements points based on the level of engagement, which may change based on mutually agreed to edits as necessary.

The Information document should include, as required:

- Issue - Level of engagement required/being sought and group responsible for the engagement (i.e., Standing Committee, CMC), description of the request; why the item is being raised; background/context to understand the current situation and current RCMP action, as necessary
- options/alternatives including cost-benefit analysis (including potential cost implication for contract jurisdictions)
- Financial Impact, including whether this is a one-time vs recurring/ongoing cost, etc.
- Risks for; RCMP, Minister, Government of Canada and contract jurisdictions, if known
- phased-in approach options, Preliminary / Draft Implementation Plan, if known and/or where applicable
- pros & cons
- recommended option with timelines, including the date for final decision, if necessary

Procedure:

1.0 ISSUE IDENTIFICATION

1.0 Issues that affect the cost, governance, quality or capacity of the Service or RCMP program are identified by a party.

1.1 The raising party develops an information document on the issue containing all relevant information to CMC.

2.0 TRIAGE AND PRIORITIZE

2.1 CMC and PT Secretariats to suggest prioritization of issues, share information document(s) and advise Co-Chairs of each respective Committee of item to be included on appropriate agenda (i.e., CMC official's, Sub-Committee, CMC or urgent CMC Conference Call) to ensure the appropriate level of engagement (i.e., notification, information sharing, discussion, collaboration, consensus driven) is initiated.

2.2 All parties recognize that each issue is unique. The triage phase will determine the nature of the issue and the appropriate mechanism:

- Should the issue be relevant for one of the Standing Committees, it will be raised there before moving to an Officials' meeting then to CMC, as appropriate.
- Should the issue not be appropriate for a Standing Committee, however require consultation with the Officials, it will be raised there before moving to CMC, as appropriate.
- Should an issue of urgent or time sensitive priority be identified that falls within the regular semi-annual scheduled meeting, it will be addressed at CMC. However, should it fall outside the regular semi-annual schedule, then the issue may be fast-tracked and addressed via a CMC teleconference call.

2.3 All parties agree to work in a timely manner respecting the necessity for all parties to undertake necessary analysis, consultation, internally and with local governments, and briefing prior to discussion.

3.0 STANDING COMMITTEES

3.1 Standing committees and temporary working groups (ad hoc) support the work of CMC, as required. These CMC sub-committees are comprised of CMC members and/or representatives from their respective organization or jurisdiction, as well as associate members. The current standing committees supporting CMC include:

- Finance and Cost Containment (FCC): The objective of the FCC is to bring focus and collaboration to the financial management of the SPAs by actively engaging all contract partners in issues and decisions related specifically to FCC.
- Real Property (RPSC): The objective of the RPSC is the forum for information sharing and consultation among jurisdictions on the common elements of the Accommodations Program (Articles 11, 12 and 13 of the PSAs). It serves to enhance the accountability and transparency of the Accommodations Program through institutionalizing the practices of joint planning and regular reporting.
- Current Issues (CISC): The objective of the CISC is to bring focus and collaboration to policy and other matters related to the management of the PSAs by engaging contract partners in cross-cutting and horizontal issues of interest to all parties.
- National Programs/Human Resources (NP/HRSC): The objective of this committee is to bring focus and collaboration to National Programs and

Human Resources issues of the PSAs through actively engaging all contract partners in issues and decisions related specifically to the efficiency and effectiveness of RCMP National Programs and Human Resources.

4.0 OFFICIALS MEETING

- 4.1 CMC Secretariat to disseminate agenda and necessary material at least one (1) week prior to Standing Committee meetings or two (2) weeks prior to Officials meetings. The use of SharePoint for all material is recommended. All parties will work to provide material further in advance.

Should material for an item not be provided within the above timelines, the Co-Chairs of the Standing Committee or Officials meeting will determine if the item is removed from the agenda. All parties acknowledge extenuating circumstances may come into play and late items could be placed on the agenda at the discretion of the Co-Chairs.

- 4.2 Parties understand that there are programs and issues that require extensive consultation beyond the CMC table and will strive whenever possible to provide longer timelines for substantive items or in-depth consultation (i.e., legal or municipal consultation). Through the CMC Secretariat, PTs will ask for clarification or material, if required, prior to the CMC Officials meeting to ensure fulsome discussion in preparation for CMC engagement process.
- 4.3 PTs will consult with local governments in advance of CMC meetings, where appropriate and possible, sharing pertinent information and consolidating feedback to report back to CMC Officials.
- 4.4 All parties will discuss the issue at the Standing Committee meeting and/or the CMC officials meeting. A determination will be reached if further discussion is required prior to CMC and what type of CMC agenda item (i.e., discussion, decision, information update as annex) is required.
- 4.5 Parties meet at Standing Committee (via teleconference) and /or CMC Officials meeting. Concerns, opinions, questions will be raised by all parties so that items can be decided, annexed (for information only items), and/or consensus sought at CMC which will be summarized in the Record of Discussion. Should items require additional information or discussion, they will return to the Standing Committee or CMC Officials meetings.

- 4.6 CMC Officials meeting Record of Discussion will be co-written by CMC and PT Secretariats and shared within two weeks of meeting. Action items will be captured and recapped at the conclusion of the officials meeting and shared immediately amongst participants. Appropriate action is taken by all parties in advance of CMC (i.e. analysis, municipal consultation).
- 4.7 From the pre-CMC process, should further follow-up be required on a specific item, RCMP/PS/PT to provide additional material via CMC Secretariat and/or SharePoint as per the CMC Preparation timelines.
- 4.8 CMC Secretariat to disseminate agenda and necessary material according to CMC Terms of Reference guidelines. At a minimum, material will be provided on SharePoint two weeks in advance of the meeting, and the final agenda will be set four weeks in advance of the meeting.
- 4.9 All parties acknowledge that there can be extenuating circumstances; however, should material for an item not be provided within the above timelines, the CMC co-chairs will be made aware of the deficiency and will determine if the agenda item is removed.
- 4.10 PTs share and consult with local governments where appropriate.

5.0 CMC MEETING

- 5.1 Parties meet at CMC meetings of via CMC teleconference calls.
- 5.2 As per the agenda, parties present issue/proposal to CMC, including previously provided supporting analysis to assist in CMC seeking to reach consensus and provide feedback.
- 5.3 CMC express views/decision with supporting rationale.
- 5.4 Should additional information, analysis, consultation (internal and external), evaluation and/or reporting be required, the issue requiring further attention will be deferred, when possible. The issue will be raised at the following CMC meeting once the Standing Committees have had the opportunity to examine the issue further and the matter has once again been brought forward at the CMC Officials Meeting.

6.0 FINAL DECISION

- 6.1 Action captured in CMC Record of Discussion. If no further action is required, the process stops here. The final outcome of the item should be reported back to CMC as outlined in Record of Discussion.
- 6.2 If decision's action is the implementation of a new initiative/or change to old initiative, CMC determines next steps with action(s) captured as action items in the CMC Record of Discussion (i.e., the item may return to Standing Committee or CMC Officials for implementation).

7.0 REPORT/SHARE DISCUSSION/DECISIONS WITH STAKEHOLDERS

- 7.1 Once the Record of Discussion is approved, PTs and municipal representatives will provide a CMC debrief to their local governments, providing an overview of key topics of discussion.
- 7.2 Once the Record of Discussion is approved, PS and RCMP National Headquarters will provide a CMC debrief to the Divisions.

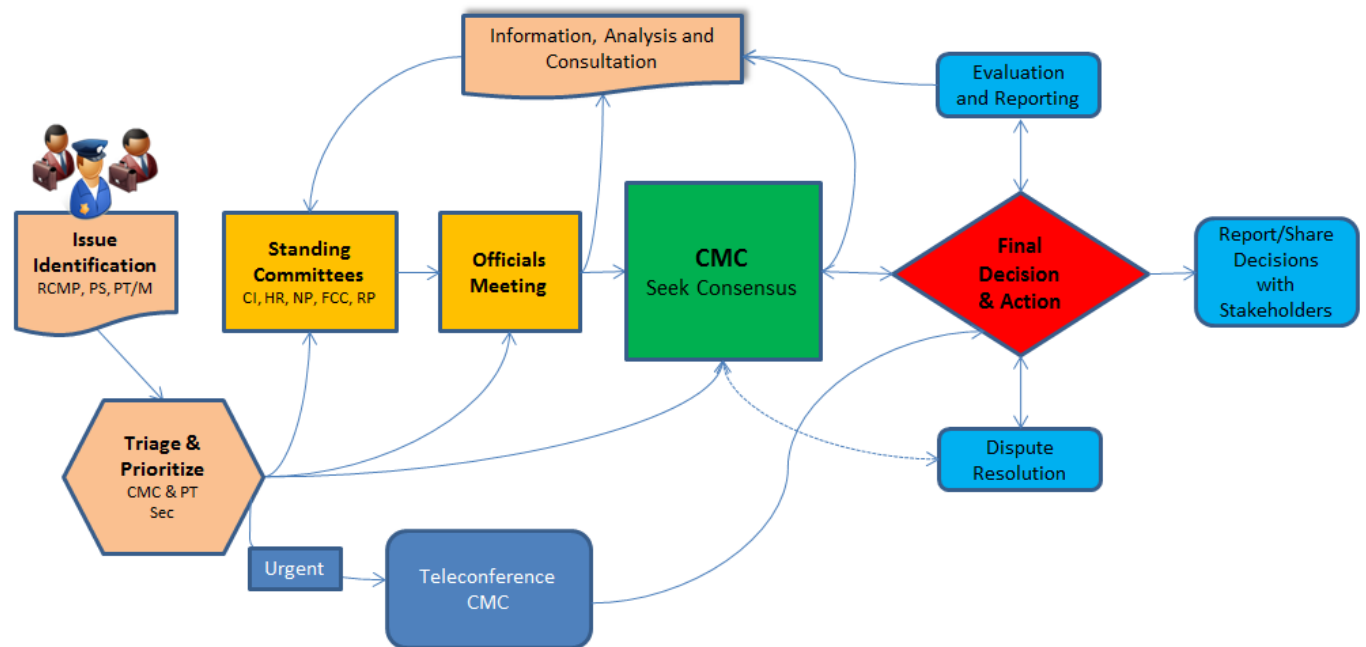
8.0 CONTINUOUS IMPROVEMENT

- 8.1 Implementation of new initiative or changes to existing programs are evaluated and reported back to CMC at a future date determined in next steps.

***DISPUTE RESOLUTION**

In the event that consensus on a matter is required and cannot be reached at the CMC table, parties will refer to the Dispute Resolution process to resolve the matter.

Process Map: Rules of Engagement



SOP Revision History:

Revision	Date	Description of changes	Requested By
1.0	May 3, 2017	Initial Release	CMC 5 Year Review
1.1	Sept 5, 2017	Addition of Cost Allocation Matrix as Appendix A	FCC

Appendix A

Cost Allocation Matrix - Finance and Cost Containment Standing Committee Process

1. Any items brought forward, whether they be new cost items or existing costs for which their cost treatment has been brought forward for discussion/clarification, will be marked as "New" on the Cost Allocation Matrix maintained by the RCMP. They will remain as marked "New" until discussion/confirmation has been received from CMC.
2. The treatment of existing cost items brought forward will remain status quo in each division, even if we know divisions are currently treating them differently. This will remain until a decision has been taken by CMC. Part of CMC's deliberation and decision may include the possibility of crediting or charging them and what principles should be used to decide this.
3. As items are brought forward, they may be discussed in further detail at the FCC, or other Standing Committees, if applicable.
4. For each item considered the relevant Standing Committee will prepare documentation for each item, ensuring that fulsome discussion can take place at the CMC Officials meetings, prior to items being brought forward to CMC.
5. Following CMC Officials meetings/discussions, recommendations for each item will be brought forward for formal endorsement from CMC.
6. Items to be considered by CMC for decision must be delivered **two weeks in advance** of CMC meetings or will be pushed to a future CMC meeting and consist of the following:
 - RCMP to advise the CMC in writing of the request.
 - RCMP's correspondence should have the business case (if applicable) related to the request attached as well as indicate the following:
 - Nature of the request; name of the RCMP SME who has the authority to answer follow up questions from CMC and, when the CMC response is required.
 - Each approved request will require completion of an approval sheet (Appendix TBD), signed/acknowledged by CMC. To assist with this process and to ensure timely informed approvals CMC, it's suggested that the preparation of business cases to include the information as outlined:
 - Request for Decision (description of the request)
 - Request Description (incl. why has the item been raised to be changed)

- Background/Context (allows CMC to understand the current situation)
 - Options/Alternatives (incl. cost-benefit analysis, phased-in approach, where applicable, Pros & Cons, recommended option etc.)
 - Financial Impact (i.e. one time vs recurring/ongoing cost)
 - Strategic Alignment (where applicable, incl. existing legislation/policies, reviews/reports that relate to the request).
 - Supporting documentation (i.e. best practice, industry standards)
 - Approval details (Request date, approval date required)
 - Upon receipt of the request CMC will review the request and information provided and will endeavour to provide a response within the required timeline.
7. Once approved, the Cost Allocation Matrix will be updated accordingly.

ARTICLE 22: CMC FIVE YEAR REVIEWS

PURPOSE

Article 22 provides Canada and the PTs with a review mechanism to analyze the Agreements' financial and other significant provisions every five years. The Five-Year Review is the mechanism built into the Agreements to ensure they meet the evolving needs of the contract parties in order to remain current over the 20-year term.

BACKGROUND

The scope of Five-Year Reviews has been expanded in the 2012 Agreements to consider all substantive issues rather than simply cost items (as was the case under the 1992 Agreement). The 2012 Agreements eliminated most of the fixed rates in the 1992 Agreements in favour of recovery of actual costs via pre-determined formulae to ensure financial elements remain current over the twenty-year term of the Agreements. These formulae, as well as the costs incurred for a given program or service, may be reviewed at the Five-Year Review. In addition, contract parties can now use the Five-Year Reviews to analyze existing or emerging program areas that could be improved or managed more efficiently.

INTERPRETATION

Every five years, a review of financial and other substantive issues related to the Agreements will be conducted. For a matter to be included in the Five-Year Review (the Review) it must involve more than one PT (otherwise, the bilateral review process may be used).

The Reviews will occur in the Fiscal Years 2016-2017, 2021-2022 and 2026-2027. Each Review will be finished by April 1 of 2017, 2022 and 2027 respectively.

Canada and any province or territory may propose matters for inclusion in the Review. All issues must be referred, with full written details, to CMC between 12 and 18 months before the date on which the Reviews are to be completed, unless the parties agree otherwise. CMC will determine which issues will be included in the Review by April 1 of the year the Review takes place (i.e., 2016, 2021 and 2026), and no other issues will be included after that date unless the parties agree otherwise.

The costs incurred by Canada as determined in accordance with Article 11 and Article 12 may only be reviewed during a Five-Year Review. This includes items that are included or excluded from the cost base (i.e., what comprises the basket of goods). Neither Canada nor a PT can propose that the cost-share arrangement (as outlined in

subarticles 11.1 and 12.1) be the subject of a Five-Year Review unless Canada and the PTs explicitly agree otherwise.

The results of the Review and any recommendations made by CMC will be provided to the Federal and PT Deputy Ministers for their review and consideration as soon as possible after the completion of the Review.

Any amendments resulting from the Review will not come into effect until Federal and PT Ministerial approvals are obtained and agreement is recorded in writing in accordance with Article 25. Since each Agreement is a bilateral agreement between Canada and a PT, the possibility exists that not all PTs will adopt all (or any) of any amendments proposed as a result of a Five-Year Review.

ADMINISTRATION

ROLE OF ASSOCIATE MEMBERS (REPRESENTING MUNICIPALITIES)

The associate members are not parties to the Agreement and thus, are not authorized to directly propose matters for the consideration of CMC in the Review. The scope of Article 22 is limited to the review of matters arising from the implementation of the Agreement in more than one province or territory. Since the municipal agreements flow directly from the PT Agreements, the respective PT will ensure that municipal issues that meet the requirement of Article 22 are also tabled for the consideration of CMC.

FIVE-YEAR REVIEW PROCESS

CMC will be responsible for managing the Review process. The process will be consultative in nature and will be undertaken in the manner described below. This process does not preclude the parties having discussions amongst themselves prior to initiation of the process. The first Five-Year Review (for Fiscal Year 2016-17) is used for illustrative purposes.

- 1. Planning phase:** By September 1, 2015 (18 months in advance of Review completion date of April 1, 2017), CMC will initiate the planning phase of the Review. This phase may include the creation of a working group (ad hoc sub-committee) to canvas all contract parties and prepare recommendations on potential areas of review for the consideration of CMC. All issues put forward for inclusion for the Review will include full written details.
- 2. Selection phase:** By April 1, 2016 (12 months in advance of Review completion date), CMC will initiate the selection phase. This phase includes CMC considering all issues proposed for review by each of the contract parties and selection of the proposals that will be reviewed. CMC may also decide that no issues need to be reviewed.

In recognition of the time and effort required to review any issue, only substantive issues should be pursued. Any disagreement by CMC members at the selection phase will be handled by CMC co-chairs who will make their best efforts to reach consensus. In order to be included in the Review, the inclusion and the intent of the Review will be supported by all members of CMC. This does not bind any party to a specific course of action upon completion of the Review or indeed to taking any action upon completion of the Review.

3. **Review phase:** CMC will delegate matters to be reviewed to ad hoc sub-committees for research, analysis and options development, as appropriate. The work will be conducted by federal and/or PT staff unless CMC agrees that third party expertise is required. In that case, CMC will determine the allocation of costs before a third party is engaged. Matters reviewed and related materials will be provided to CMC by April 1, 2017 (Review completion date).
4. **Discussion phase:** CMC will discuss the findings and propose a course of action for each of the issues. parties may have separate views and, in that case, a record of the various views will be prepared. CMC will then prepare a document summarizing each issue reviewed and any recommendations for the consideration of the Deputy Ministers. Recommendations may include changes to practices or procedures, changes to the Agreement itself, or that no further action is required.
5. **Decision phase:** The Deputy Ministers will review and consider the recommendations.
6. **Action phase:** If changes to the Agreement are supported by the Deputy Ministers, the parties will seek ministerial approvals to amend the Agreement in accordance with Article 24. Since each Agreement is a bilateral agreement between Canada and a PT, the possibility exists that not all PTs will adopt all (or any) of any amendments proposed as a result of a Five-Year Review.

If the Deputy Ministers support changes to practices or procedures, the parties will ensure that these changes are made in an appropriate and timely manner. This may include consultation with other stakeholders such as Municipalities.

If required, the Companion Document will be amended and the amended version will be approved by CMC and initialled by CMC co-chairs.

Table 13: Summary of the principal elements of CMC Five-Year Review

Main Features	CMC Five-Year Review (Article 22)
Purpose:	Mechanism for contract parties to maintain the currency of the Agreements over the 20-year term by conducting reviews at five-year intervals.

Main Features	CMC Five-Year Review (Article 22)
	This type of review is meant to examine, confirm or adjust terms and conditions of the Agreements.
Scope:	<p>Generally, any substantive matter under the Agreements which impacts more than one PT.</p> <p>Changes to items included or excluded from the cost base.</p> <p>The cost-share ratios are not normally subject to Review, unless Canada and the PTs mutually agree to review the ratios.</p>
Process and Facilitators:	<ul style="list-style-type: none"> • Facilitated by CMC • Issues for Review decided by mutual consent of CMC • Reviews conducted by the parties • No third-party reviewer or subject matter experts unless CMC agrees that the expertise of a third party is necessary • Report/recommendations provided to Deputy Ministers for their consideration
Example of Subject Matter:	<ul style="list-style-type: none"> • Examine the costs shared for legal advisory services.
Possible Outcomes:	<ul style="list-style-type: none"> • Changes to the Agreements • Change in policy or procedures
Frequency:	Every five years

ARTICLE 23: DISPUTES

PURPOSE

Article 23 provides a mechanism for resolving Disputes which cannot be settled through consultation.

BACKGROUND

A more robust process for Disputes was added to the 2012 Agreements. The intention was to provide a process with timelines to ensure that disagreements are resolved in a timely manner. The contract parties recognize that disputed charges may pose accounting and payment challenges for governments and may cause significant financial pressures that may impact the Service.

Only Public Safety Canada and PTs may initiate a formal Dispute, however it is recommended that all contract parties pursue informal resolution processes first.

Through the Five Year Review process that concluded in 2017, the issue of dispute resolution was examined given that the existing process has been ineffective in resolving disputes. It was determined that the existing process was not operating as intended as the disputes arising were very complex and a more structured dispute resolution model was needed. Contract partners agreed as an outcome of the Five Year Review exercise that a new dispute resolution model would be placed in the Companion Document and tested over the next five years to determine its effectiveness. As of November 2017, contract parties will follow the dispute resolution process included at the end of this section (CoDo pg 249, 250, 251) when confronted with any issue, matter of general concern, or disagreement stemming from the interpretation or implementation of the Agreements.

INTERPRETATION

Any issue, matter of general concern, or disagreement stemming from the interpretation or implementation of the Agreements may be a matter for consultation and resolution between Public Safety Canada, the RCMP and the PT. If the contract parties cannot resolve the issue through informal mechanisms, Public Safety Canada or the PT may proceed with written notice of a Dispute.

The process map below outlines the steps and timeframes to be followed if the Dispute is related to an invoice; however, these steps could apply to any Dispute. It is possible that some of these steps may have been utilized during attempts to resolve the issue informally.

Information exchanged during the Dispute process is treated 'without prejudice' and kept confidential, unless otherwise required by law. However, information otherwise available independent of the Dispute process will not be made inaccessible or confidential just by virtue of being part of the Dispute.

Contract parties will strive to meet the timelines agreed to in the process map below. Extensions to these time frames will be agreed to for reasons including, but not limited to; Ministerial Agreement, mediator/arbitrator availability and for government processes (Cabinet and/or Treasury Board approval being sought).

The parties agree, that when appropriate, a mediator that can act as an arbitrator will be utilized for efficiency and cost effectiveness. The associated expense for any external parties utilized throughout the process will be shared 50/50 between Canada and the contract jurisdiction(s).

All references to written notice in the process map will be defined as per Article 24.1 of the agreement.

ARTICLE 23: DISPUTE PROCESS

Provincial / Territorial Police Service Agreements
Enhanced Dispute Resolution Process

1. Provincial/Territorial Single Jurisdiction Dispute Resolution Process

	Phase 1: Dispute Avoidance Informal Process	Phase 2: Formal Dispute Resolution Process	Phase 3: Alternative Dispute Resolution	Phase 4: Binding Arbitration
Trigger	Informal identification of an issue or 90 days past due date of an invoice – Upon identification of an issue or if payment of an invoice has not been received within 90 days from its due date, the informal dispute avoidance process is triggered.	Formal written notice of dispute will be provided from the ADM of Public Safety Canada to PT ADM or vice versa at any time . Or Formal notice of a dispute will be provided once an invoice is overdue 270 days .	If the issue is not resolved within 270 days of the formal notice of dispute, the parties will be required to submit the dispute to non-binding mediation (a neutral third party). Should resolution be imminent between the parties, the parties may, if mutually agreed, not to submit the dispute to mediation.	If the issue is not resolved following non-binding mediation, subject to agreement by the parties, the dispute moves to the binding arbitration phase.
Process	Parties engage at the officials level up to the ADM level to try and resolve the issue through regular meetings and communication or agreed upon bilateral review. During this phase, the PT and Federal ADMs have the option to refer the matter to a Dispute Avoidance Panel of officials from Public Safety Canada and the implicated PT. A member of the RCMP and other stakeholders may participate as required. The Panel will have the option of appointing an independent member (with expertise in the disputed area) as agreed to by the parties. The Panel will be solution oriented and, within 120 days of being formed, issue a report with findings and a recommendation. The parties will have 30 days to accept the proposed solution, offer a potential modification, or reject the recommendations.	Federal/Provincial/Territorial Deputy Ministers and Ministers will be given a period of 270 days from receipt of written dispute notice to come to a resolution. Should resolution be imminent between the parties, the parties may, if mutually agreed, not to submit the dispute to mediation.	Parties will refer the issue to mediation. The parties will work expeditiously to select a mediator and put contracts in place for mediation. Costs will be shared 50/50 between Canada and the contract jurisdiction(s). The mediator will facilitate discussion between the parties based on the facts of the dispute and positions of the parties. If parties cannot resolve the issue through mediation the dispute will move to phase 4 with the agreement of both parties. If both parties do not agree to phase 4, parties will explore other avenues to resolve the dispute.	Parties will refer the issue to binding arbitration. The parties will work expeditiously to select an arbitrator and put contracts in place for arbitration. Costs will be shared 50/50 between Canada and the contract jurisdiction(s). The arbitrator will propose a solution which will be binding on the parties.

2. CMC Multi-lateral Dispute Resolution Process

	Phase 1: Dispute Avoidance Informal Process	Phase 2: Formal Dispute Resolution Process	Phase 3: Alternative Dispute Resolution	Phase 4: Binding Arbitration
Trigger	Informal identification of an issue or 90 days past due date of an invoice – Upon identification of an issue or if payment of an invoice has not been received within 90 days from its due date, the informal dispute avoidance process is triggered.	Formal written notice of dispute will be provided from the ADM of Public Safety Canada to PT ADM or vice versa at any time . Or Formal notice of a dispute will be provided once an invoice is overdue 365 days .	If the issue is not resolved within 365 days of the formal notice of dispute, the parties will be required to submit the dispute to non-binding mediation . Should resolution be imminent between the parties, the parties may, if mutually agreed, not to submit the dispute to mediation.	If the issue is not resolved following non-binding mediation, subject to agreement by the parties, the dispute moves to the binding arbitration phase.
Process	Parties engage at the officials and ADM levels to try and resolve the issue through meetings, working groups, CMC, consultations and bilateral and/or directed reviews. If a resolution cannot be found amongst ADMs the process moves to Phase 2. During this phase, ADM Co-Chairs have the option to refer the matter to FPT Dispute Avoidance Panel to include a PT ADM and official selected by the PTs, ADM of Public Safety Canada (PS) and an official from PS. A member of the RCMP and other stakeholders may participate as required. The Panel will have the option of appointing an independent member (with expertise in the disputed area) as agreed to by the parties. The Panel will be solution oriented and, within 120 days of being formed, issue a report with findings and a recommendation. The parties will have 60 days to accept the proposed solution offer a potential modification, or reject the recommendations.	Federal/Provincial/Territorial Deputy Ministers and Ministers will be given a period of 365 days from receipt of written dispute notice to come to a resolution. Should resolution be imminent between the parties, the parties may, if mutually agreed, not to submit the dispute to mediation.	Parties will refer the issue to mediation. The parties will work expeditiously to select a mediator and put contracts in place for mediation. The mediator will facilitate discussion between the parties based on the facts of the dispute and positions of the parties. If parties cannot resolve the issue through mediation the dispute will move to phase 4 with the agreement of both parties. If both parties do not agree to phase 4, parties will explore other avenues to resolve the dispute.	Parties will refer the issue to binding arbitration. The parties will work expeditiously to select an arbitrator and put contracts in place for arbitration. Costs will be shared 50/50 between Canada and the contract jurisdiction(s). The arbitrator will propose a solution which will be binding on the parties.

3. Municipal Dispute Resolution Process

	Phase 1: Dispute Avoidance Informal Process	Phase 2: Formal Dispute Resolution Process	Phase 3: Alternative Dispute Resolution	Phase 4: Binding Arbitration
Trigger	Informal identification of an issue or 90 days past due date of an invoice – Upon identification of an issue or if payment of an invoice has not been received within 90 days from its due date, the informal dispute avoidance process is triggered.	Formal written notice of dispute will be provided from the Commanding Officer of the RCMP Provincial Division to the CEO of the Municipality or vice versa at any time . *The Federal ADM, and in the case of BC the Provincial ADM, should be cc'ed on the formal notice. Or Formal notice of a dispute will be provided once an invoice is overdue 270 days .	If the issue is not resolved within 270 days of the formal notice of dispute, the parties will be required to submit the dispute to non-binding mediation . Should resolution be imminent between the parties, the parties may, if mutually agreed, not to submit the dispute to mediation.	If the issue is not resolved following non-binding mediation, subject to agreement by the parties, the dispute moves to the binding arbitration phase.
Process	The informal process begins with meetings between the Chief Executive Officer (CEO) of the municipality and the Member in Charge (Detachment Commander). If no resolution is found it escalates to the CEO of the municipality and the Commanding Officer of the Division. During this phase, the CEO and the Commanding Officer of the RCMP Division have the option to refer the matter to a Dispute Avoidance Panel to include RCMP and municipal officials selected by both parties. The Panel will have the option of appointing an independent member (with expertise in the disputed area) as agreed to by the parties. The panel will be solution oriented and, within 120 days of being formed, issue a report with findings and a recommendation. The parties will have 30 days to accept the proposed solution offer a potential modifications, or reject the recommendations.	CEO and Federal Assistant Deputy Minister, Deputy Ministers and Ministers will be given a period of 270 days from receipt of written notice to come to a resolution. Should resolution be imminent between the parties, the parties may, if mutually agreed, not to submit the dispute to mediation. *In British Columbia, meetings with the Federal ADM, Federal Deputy Minister and the Federal Minister would also include the Provincial equivalent.	Parties will refer the issue to mediation. The parties will work expeditiously to select a mediator and put contracts in place for mediation. The mediator will facilitate discussion between the parties based on the facts of the dispute and positions of the parties. If parties cannot resolve the issue through mediation the dispute will move to phase 4 with the agreement of both parties. If both parties do not agree to phase 4, parties will explore other avenues to resolve the dispute.	Parties will refer the issue to binding arbitration. The parties will work expeditiously to select an arbitrator and put contracts in place for arbitration. Costs will be shared 50/50 between Canada and the contract jurisdiction(s). The arbitrator will propose a solution which will be binding on the parties.

ARTICLE 24: NOTICE

PURPOSE

Article 24 ensures that substantial decisions are recorded in writing and ensures a common understanding of the date of receipt.

INTERPRETATION

This Article states that any notice under the Agreements will be made in writing between the Federal and PT Ministers.

Examples of notices include, but are not limited to, changes of address, notices of Dispute, and notice of termination.

Table 15: Communication type and received dates

Communication Type	When Notice is Considered Received
E-mail	One day after being sent
Regular or registered mail	Five calendar days after being mailed
Courier	Upon delivery
Fax	One day after being sent

All notices to Canada are addressed to:

Minister of Public Safety and Emergency Preparedness
 269 Laurier Avenue West
 Ottawa, Ontario K1A 0P8
 Fax: 613-954-5186

All notices to the PT will be addressed to the PT Minister as indicated in paragraph 24.2(b).

The parties may change the address indicated in subarticle 24.2 by providing notice in accordance with this Article.

ARTICLE 25: AMENDMENT

PURPOSE

Article 25 stipulates that the only way to amend the Agreement is by the written agreement of the parties.

INTERPRETATION

This Article allows Canada and the PT to change the terms of the Agreement at any time, provided the changes are agreed to by both parties and confirmed in writing.

ADMINISTRATION

Any proposed changes to the Agreements that are substantive in nature need to be discussed by CMC. Any amendments to the Agreements, including bilateral ones, will be brought to CMC for information sharing purposes.

Any terms in the Agreement may be amended by mutual consent of Public Safety Canada and the PT. However, there must be extraordinary circumstances to revisit the cost-share ratios identified in Article 11 and Article 12.

There are some expected adjustments that will occur during the 20-year term of the Agreement that will not require the Agreement to be amended. For example, some annexes will be updated at regular intervals and the cost of legal advisory services will be adjusted annually based on the consumer price index. In addition, beginning April 1, 2015, the costs of Recruiting, Cadet Training at Depot and the Police Dog Service Training Centre will be adjusted (from \$3,500 per Member to a ratio based on the average cost the last three years).

ARTICLE 26: SURVIVAL

PURPOSE

Article 26 stipulates that any rights and obligations remain in force beyond the expiry or termination of the Agreement and exist until the terms of the rights or obligations have been met.

BACKGROUND

Unless extended, renewed or terminated under the provisions of Article 3 (Term of Agreement), the Agreement expires on March 31, 2032.

INTERPRETATION

The obligations and rights set out in the following provisions continue to exist beyond the expiry or termination of the Agreement: Articles 17, 24 and 25, as well as subarticle 11.8.

For the eight PTs³⁰ that adopted one of the accommodations models under Article 12, the payment obligations under the accommodations program will survive until amounts owed are paid in full.

For the three PTs³¹ that adopted the other accommodations model under Article 12, the obligations and rights related to deferred amounts left owing at the end of the Agreement (subarticles 12.25, 12.26, 12.27 and 12.28) will survive until amounts owed are paid in full. This will ensure that any capital which was subject to an amortization period exceeding the term of the Agreement will not expire with the Agreement itself.

The obligations and rights in Article 15 will survive for six months following the expiry or termination of the Agreement. This condition reflects the requirement stipulated within Article 15 that transfers be completed within six months of the effective date of termination or expiry, as applicable.

³⁰ The eight PTs are: British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and the Yukon.

³¹ The three PTs are: Alberta, Saskatchewan and Nova Scotia.

APPENDIX A: APPLICATION OF THE MUNICIPAL POLICE SERVICE AGREEMENT

The Municipal Police Service Agreement (MPSA) is a flow through of the Provincial Police Service Agreement (PPSA), in that it mirrors the terms and operating procedures of the PPSA. PTs were responsible for negotiating the 2012 PPSA, and through consultation with Municipalities, took a lead role in negotiating the MPSA, to maintain the consistency of provincial, territorial, and municipal RCMP contract policing services.

This Appendix does not apply to the territories or Newfoundland and Labrador, which do not have municipal agreements, or to British Columbia which will have its own Municipal Companion Document due to the different contractual relationship British Columbia has with its Municipalities.

Policing is recognized, constitutionally, as a PT responsibility, delegated to Municipalities by way of provincial legislation. Orders in Council of provincial governments are required to authorize Municipalities to enter into RCMP MPSAs with Canada.

The Companion Document is the interpretation guide to the PPSA, and by extension, the MPSA. The agreements are, by and large, interchangeable with respect to interpretation and application.

The purpose of this Appendix is to provide a crosswalk between the interpretation and application of the PPSA and the MPSA.

MPSA ARTICLE 1: INTERPRETATION

Most terms defined in Article 1 of the MPSA have the same definitions as in the PPSA, with the exception of the specific terms “CEO”, “Furnished”, “Member in Charge”, “Parties”, “Provincial Police Service”, “Provincial Police Service Agreement”, and “Support Staff”, which have definitions unique to the MPSA.

MPSA ARTICLE 2: PURPOSE AND SCOPE

Clauses under MPSA Article 2 are interchangeable with Article 2 of the PPSA, with the exception of the following clauses that are MPSA specific:

PARAGRAPH 2.1.C - ANNEX “A”

The MPSA is silent on the issue of maintaining a listing of Members and Support Staff assigned to the Municipal Police Service, referred to as Annex “A” within the PPSA. The process provided under PPSA paragraph 2.1.c.1 provides a guideline for

application to the MPSA, whereby the Municipality, Canada, and RCMP maintain an a listing of all Members and support staff assigned to the Municipal Police Service.

PARAGRAPH 2.2.C - MUNICIPAL BY-LAWS

Municipal by-laws are included as duties of the Municipal Police Service, in conjunction with the other demands for enforcement services within the Municipality, by the RCMP Municipal Police Service. Enforcement of municipal by-laws by the Municipal Police Service is generally limited to those by-laws which are law enforcement related. For example, municipal speed by-laws, noise by-laws as it relates to unruly parties would be enforced; Barking dog by-laws or development permit inspections would not be enforced by RCMP.

This provision should be cross referenced to MPSA Articles 6.1 and 7.1, whereby the Municipal Police Service acts under the direction of the CEO/Mayor, and implements the objectives, priorities and goals as determined by the CEO/Mayor. In addition, many Municipalities opt to employ community peace officers or by-law enforcement officers to work in conjunction with the RCMP Municipal Police Service to provide effective law enforcement.

SUBARTICLES 2.4 TO 2.6 - SUPPORT STAFF

Municipalities are responsible for providing municipal support staff at 100% cost.

MPSA ARTICLE 3: TERM OF AGREEMENT

All clauses under MPSA Article 3 are interchangeable with Article 3 of the PPSA.

MPSA ARTICLE 4: EXCLUSIONS AND INCLUSIONS

This Article pertains to exclusions or inclusions of duties or functions of the Municipal Police Service, whereas PPSA Article 4 also addresses inclusions and exclusions of geographic areas.

Of note, when a Municipality that has previously received RCMP Provincial Police Services establishes an RCMP Municipal Police Service, a notice of geographic exclusion is not required from the PT, but is inherent, since the MPSA automatically excludes the municipality's geographic area from the PPSA.

MPSA ARTICLE 5: INCREASE OR REDUCTION IN THE MUNICIPAL POLICE SERVICE

All clauses under MPSA Article 5 are interchangeable with Article 5 of the PPSA. The PPSA Article also includes the process for an increase or reduction in divisional and regional administration positions.

SUBARTICLE 5.5. – NO REPLACEMENT OF MEMBERS

Where vacancies arise due to Members attending a training course related to the Municipal Police Service, on annual leave, or when ill except where the illness results in a Member's absence for a period of more than 30 consecutive days, Members will not be replaced.

Cross reference MPSA Paragraphs 8.1.e and f

Where municipalities experience sick leave vacancies beyond 30 consecutive days, the RCMP will report on all vacancies, and positions staffed, surplus to establishment. The Municipality may also discuss options with the RCMP to staff these positions, surplus to establishment, to maintain adequate service delivery levels.

As of the time of writing of this document, the RCMP is in the process of modernizing health services, which includes enhancements to sick leave management.

MPSA ARTICLE 6: MANAGEMENT OF THE MUNICIPAL POLICE SERVICE

All clauses under MPSA Article 6 are interchangeable with Article 6 of the PPSA.

MPSA ARTICLE 7: OPERATION OF THE MUNICIPAL POLICE SERVICE

All clauses under MPSA Article 7 are interchangeable with Article 7 of the PPSA.

Subarticle 7.3 - Staffing of Detachment Commander

Of note is the requirement for the CO to consult and engage the CEO/Mayor in the staffing of the Detachment Commander position.

MPSA ARTICLE 8: RESOURCES AND ORGANIZATION

All clauses under MPSA Article 8 are interchangeable with Article 8 of the PPSA.

MPSA ARTICLE 9: EMERGENCIES AND EVENTS

The CO or the PT Minister hold the responsibility to invoke an Emergency in the province. Generally, the RCMP resources located within a province are redeployed first, to respond to an Emergency within the province. If additional resources are required, the PT Minister will make the request to the CO to temporarily increase the strength of the PT Police Service to respond to the Emergency. If the Emergency occurs within a Municipal Police Service jurisdiction, the province is responsible for invoking the Emergency, pursuant to the PPSA, and will work with the Municipality to respond to the Emergency.

Municipalities will be consulted prior to the redeployment of up to 10% of their membership to respond to an Emergency in provincial or federal jurisdiction, a Special Event (in a provincial jurisdiction) or a federal Major Event (e.g., Olympics, G-8 or G-20

meeting). Withdrawal or redeployment of members from the Municipal Police Service will not extend beyond 30 days, without further consultation between the CO, the PT Minister, and the CEO/Mayor. The Municipality will not be charged for Salary and incremental costs of the Members and/or equipment redeployed to respond to an Emergency, provincial Special Event or federal Major Event.

Municipalities, in conjunction with Detachment RCMP, are responsible for the planning and policing of Special Events held in their jurisdictions.

MPSA ARTICLE 10: MUNICIPAL POPULATIONS

All clauses under MPSA Article 10 are interchangeable with Article 10 of the PPSA. There is a new provision in the 2012 PPSA. If the PT Minister requests, and at no additional cost to Canada, the PT Police Service may be utilized to police a Municipality with a population of 5,000 or more. Under this provision, the PT would pay the 100% municipal cost of accommodations, Support Staff, and overtime, and determine degree of cost recovery, if any, with the Municipality.

This option is not applicable to Alberta or Saskatchewan, as it is not consistent with their Police Acts and provincial policing policies.

MPSA ARTICLE 11: BASIS OF CALCULATION OF PAYMENT

Clauses under MPSA Article 11 are interchangeable with Article 11 of the PPSA, with the exception of the following items, which are MPSA specific.

- **Subarticles 11.4 and 11.5** itemize cost calculations for Municipalities with population 5,000 to 14,999, and with populations 15,000 and over, respectively.
- **Municipal Under [population 15,000] Non Pooled Costs** – The majority of costs for all Municipalities within a Division with a population under 15,000 are pooled together and divided over the total FTE Utilization of Members in the respective Municipal Police Services. This allows the smaller Municipalities to share RCMP policing costs by paying an average per FTE cost based on all collective expenditures.
- The Agreements broadly specifies which costs are payable by the municipality at the cost-share (70/30) and which ones are payable at 100%. A matrix called Municipal Under (population 15,000) Non Pooled Costs provides more detailed information about which specific MPSA costs are charged at 70% and which are charged at 100%. The matrix is prepared by RCMP and approved by the Finance and Cost Containment Standing Committee. Items charged at 100% under the 2012 MPSA include member overtime, administrative support staff, and providing and maintaining accommodations, including furniture and fixtures.

- Revised MPSA 2012 100% cost items include:
 - **Guards and Matrons (includes Corps of Commissionaires contracts for guarding prisoners)** - Under the 1992 MPSA, costs for guarding prisoners were included in the per capita rate. Under the 2012 MPSA, these costs are billed at 100% to the Municipalities. The rationale for the cost adjustment is that Municipalities who provide municipal accommodations, including cellblocks, are responsible for 100% of the costs of guarding prisoners. The same costing model is being applied to MPSAs operating out of federally-owned accommodations.
 - **Payment in Lieu of Taxes (PILT)** - PILT became billable under the 2012 MPSA, where the Municipal Police Service operates out of a federally-owned building.

MPSA ARTICLE 12: ACCOMMODATIONS

SUBARTICLE 12.1

Municipalities with a population of 5,000 or more are responsible for providing a Municipal Police Service, and for providing and maintaining accommodations for their Municipal Police Service, at no cost to Canada. Whether providing their own accommodations or occupying federal government Detachment facilities, Municipalities with MPSAs are responsible for 100% of the costs of providing and maintaining these accommodations, including furnished office space, cellblock facilities, and garage space. The Municipality is also required to pay 100% for operating and maintenance costs.

These costs are calculated based on the proportion of the facility that is occupied by the Municipal Police Service (**MPSA subarticle 12.4.a.**).

SUBARTICLES 12.2 AND 12.3 – ACCOMMODATIONS STANDARDS

Accommodations Charge - Under the 1992 MPSA, Municipalities with Municipal Police Services operating out of federally-owned accommodations were billed an indirect accommodations charge of \$107.64 per square metre. Under the 2012 MPSA, Municipalities in federally-owned buildings will pay an annual per square meter rental rate which will be based on the actual costs incurred as part of the accommodations program of works in that province. This cost has been excluded from the per capita rate and is billed at 100% by location to Municipalities, based on the proportion of accommodations occupied by the Municipal Police Unit.

Under the 1992 MPSA, for federally-owned buildings, the costs for major and minor capital over \$30,000 were the responsibility of Canada. This was known as the \$30K rule. Under the 2012 PPSA and MPSA, the \$30K rule has been eliminated and all costs for major and minor capital are included in the accommodations program of works and

thus billable to PTs and Municipalities under the Accommodations Program Charge. The amount charged to Municipalities is at 100% by location, based on the proportion of accommodations occupied by the Municipal Unit.

***Note PPSA Article 13 – Removal of Buildings and Living Quarters and Transfer of Buildings, Living Quarters, and Land – is not applicable to Municipalities.*

MPSA ARTICLE 13: EQUIPMENT

All clauses under MPSA Article 13 are interchangeable with Article 14 of the PPSA.

MPSA ARTICLE 14: TRANSFER OF OWNERSHIP OF EQUIPMENT

All clauses under MPSA Article 14 are interchangeable with Article 15 of the PPSA.

MPSA ARTICLE 15: JAILS AND LOCK-UPS

All clauses under MPSA Article 15 are interchangeable with Article 16 of the PPSA.

Municipal costs associated with jails and lock ups are at 100% since it is a municipal responsibility, under provincial Police Acts, to provide accommodations, including cellblocks.

MPSA ARTICLE 16: METHOD OF PAYMENT.

All clauses under MPSA Article 16 are interchangeable with PPSA Article 17.

MPSA ARTICLE 17: FINANCIAL PLANNING AND REPORTING

All clauses under MPSA Article 17 are interchangeable with Article 18 of the PPSA.

MPSA ARTICLE 18: OPERATIONAL EFFECTIVENESS ASSESSMENTS

This provision is new to the 2012 MPSA.

This Article provides for a review mechanism for matters arising out of the service delivery of the Municipal Police Service. It is not intended to be used for a formal review of a substantive article of the MPSA. Such matters are to be referred to the PT and/or CMC. (See Articles 19, 20 and 21.)

Matters such as the use of the Municipal Police Service to conduct specific by-law enforcement, or determining effective resourcing of the Municipal Police Service are applicable examples for an operational effectiveness assessment. In practice, in addition to the Detachment Commander, the CO would also be engaged in these

assessments, utilizing administrative units such as Client Services or the Criminal Operations Policy Centre to assist in undertaking the assessment and addressing the issue giving rise to the review.

MPSA ARTICLE 19: CONTRACT MANAGEMENT COMMITTEE

All clauses under MPSA Article 19 are interchangeable with Article 21 of the PPSA.

This Article also references the Five-Year Review process, which is interchangeable with Article 22 of the PPSA. While the Municipalities have no direct role in the Five-Year Review process, they will be engaged through CMC, and through consultation with their respective PT.

MPSA ARTICLE 20: DISPUTES

All clauses under MPSA Article 20 are interchangeable with Article 23 of the PPSA.

MPSA ARTICLE 21: NOTICE

All clauses under MPSA Article 21 are interchangeable with Article 24 of the PPSA.

MPSA ARTICLE 22: AMENDMENT

All clauses under MPSA Article 22 are interchangeable with Article 25 of the PPSA.

MPSA ARTICLE 23: SURVIVAL

All clauses under MPSA Article 23 are interchangeable with Article 26 of the PPSA.

APPENDIX B: CONTRACT MANAGEMENT COMMITTEE TERMS OF REFERENCE

ESTABLISHING AUTHORITY

In 2011 and 2012, Federal, Provincial and Territorial (FPT) Ministers responsible for Justice and Public Safety (except for Quebec and Ontario) approved the 2012-2032 Police Service Agreements (PSAs). The PSAs, effective April 1, 2012, address key issues, including the importance of building and maintaining strong collaborative relationships, as well as modernized governance, accountability, program sustainability and cost containment.

Article 21 of the PSAs outlines the role, structure and mandate of the Contract Management Committee (CMC), as a principal means through which governance of the PSAs would occur.

MANDATE

The objective of the CMC is to bring focus and strong collaboration to the management of the PSAs by actively engaging Canada and the provinces, territories and municipalities to ensure that contract policing remains current and responsive to evolving policing requirements and innovative approaches to policing within the terms of the contract. As a steering committee, CMC will be focused on monitoring progress and providing strategic advice on matters of interest and on the resolution of issues related to the PSAs and contract policing in order to guide the effective management of the PSAs.

The mandate of the CMC is to:

- support the delivery of professional, efficient and effective police services under the PSAs;
- implement the modernized governance relationship envisioned in the *Introduction* of the PSA, built on meaningful engagement and responsiveness to each other's needs; and
- function as an information sharing forum to foster timely consultation and collaboration on issues affecting the governance, cost and quality of police services or a RCMP program, prior to decisions being taken.

MEMBERSHIP

The CMC is comprised of FPT Assistant Deputy Ministers, or equivalent, responsible for policing and/or public safety. In total, there are 13 CMC members: one representative

from each province and territory with which Canada has a PSA, one from Public Safety Canada and one from the RCMP.

The CMC is co-chaired by the federal Assistant Deputy Minister from Public Safety Canada (Law Enforcement and Policing Branch) and a provincial or territorial (PT) ADM responsible for policing and/or public safety, with the latter chosen by agreement among PT jurisdictions. The incumbency of the PT Co-chair will be rotated every three to five years, or as otherwise agreed by the PTs and communicated to the CMC as of April 1 each year.

The RCMP representative on the CMC is the Deputy Commissioner responsible for Contract Policing.

In addition to regular CMC members, one associate membership position is extended to each province where municipalities receive RCMP municipal policing under agreements with Canada. The Assistant Deputy Ministers responsible for policing and/or public safety in these jurisdictions may each designate one associate member who will represent all municipalities in the province.

MEETINGS

The CMC will hold in-person meetings bi-annually on fixed dates (to be determined) in April and November, and otherwise as required. Meetings will normally be held in the National Capital Region or other locations as agreed by CMC members.

Additionally, to assist in instilling and regularizing information sharing practices between the CMC members, CMC will hold bi-monthly co-ordinating conference calls, also on fixed dates (to be determined) for as long as they are needed. The Commanding Officers responsible for the Divisions in contract jurisdictions will also be invited to participate.

Meetings will be co-ordinated by the Co-chairs with the assistance of the Secretariat.

Each CMC member may bring a reasonable number of staff to CMC meetings, unless the CMC Co-chairs decide to restrict the attendance of a specific CMC meeting to its membership only. The identity of all attendees will be provided to any of the Co-chairs and the Secretariat at least two weeks in advance of the CMC meetings.

In order to facilitate focussed discussion and efficient decision-making, the meeting format will be designed around a central table at which CMC members and associate members will be seated. One staff person may sit at the central table. Other staff will be seated around the perimeter of the room. Meetings will be co-ordinated and managed by the Co-chairs according to accepted norms and meeting decorum (e.g., Roberts' Rules).

It will be important that members attend all CMC meetings. By exception, each member may designate an alternate from the member's organization who can attend meetings in the member's place. All designated alternates must have sufficient knowledge of the issues being discussed as to be able to represent their jurisdiction's positions and views and have the authority to make decisions on their jurisdictions' behalf at the table. CMC members will identify alternates to the Co-chairs and the Secretariat prior to any meeting for which an alternate would be designated.

Discussions of agenda items at CMC meetings will be recorded by the Secretariat. Draft Records of Discussion (RoD) will be distributed to CMC members within two weeks of each meeting for review and approval by CMC members. Final approval of RoDs will be a standing agenda item at each subsequent CMC meeting.

Videoconferencing and teleconferencing will be used when needed to deal with time sensitive matters, to increase the efficiency of managing the PSAs, and to manage costs.

ROLES AND RESPONSIBILITIES

All CMC Members

CMC members will raise issues and provide information in a timely manner and make reasonable efforts to reach consensus and resolution on all matters brought to CMC consideration.

Broad areas of responsibility include:

- raising issues and proposals that may affect the governance, costs, quality or capacity of the police services or a RCMP program;
- assistance with interpretation of the PSAs and maintenance of the Companion Document;
- setting the CMC operating procedures and updating the Terms of Reference as required;
- decisions on how costs are shared among all CMC members;
- reviewing reports and undertaking reviews as outlined in the PSAs (e.g., multi-year financial plans, pension reports, enhanced reporting and accountability capacity, etc.);
- delegating matters to sub-committees for research and analysis, as required;
- participation in the creation and staffing of CMC sub-committees;
- identification of matters and participation in reviews (e.g., CMC Directed Reviews, RCMP audits and CMC Five-Year Reviews);

- managing the process for Five-Year Reviews; and
- managing the process for subsequent Agreement negotiations.

CMC Co-Chairs

The CMC is a non-voting committee governed by consensus building under the leadership exercised by the two Co-chairs.

The CMC Co-chairs, with the assistance of the Secretariat, will share the following responsibilities:

- overall leadership of the CMC and management of its meetings;
- in collaboration with CMC members, identification of issues, development and approval of effective and strategic agendas for CMC meetings;
- ensure comprehensive and timely sharing of relevant documents and information among all CMC members;
- final endorsement and timely communication of the RoD from each CMC meeting;
- preparation and communication of timely written records of views;
- facilitation of CMC Directed Reviews on programs; and
- facilitation of the CMC Five-Year Reviews and communication of the results and recommendations to FPT Deputy Ministers.

CMC RCMP Representative

In addition to its role and responsibility as a CMC member, the RCMP representative on CMC will, each Fiscal Year, on behalf of the RCMP Commissioner:

- consult with CMC with respect to the multi-year financial plans for the accommodations, recruiting and training (Depot and Police Dogs) programs, the Policing Reporting and Occurrence System (PROS), or other programs as required, and ensure that any written records of views from CMC are responded to in a reasonable and timely manner; and
- consult with CMC on matters to be considered for inclusion in the RCMP's departmental audit plan for activities undertaken in support of any PT police service, and provide the approved plan once confirmed.

The CMC RCMP Representative will also ensure that CMC is consulted about proposed additions or deletions to items included in the cost base of the PT police services, as well as other proposed changes affecting the cost, such as allocation formulas or costing methodologies.

CMC Associate Members

Associate members representing municipalities will be able to participate actively in all CMC meetings. They will have the opportunity to make presentations at CMC meetings. They may also participate in CMC sub-committees. It is the responsibility of

the home jurisdiction to ensure associate members are provided with all shared material in relation to the meetings.

CMC Sub-Committees

Standing committees and temporary working groups (*ad hoc*) will be created to support the work of CMC, as required. These CMC sub-committees will be comprised of CMC members and/or representatives from their respective organization or jurisdiction, as well as associate members. Efforts will be made to ensure broad representation from the provinces, territories, municipalities, the RCMP and Public Safety Canada. A separate list of standing committees will be established which will be updated, as required. CMC may also form working groups to address particular issues as they arise. Terms of Reference for each CMC sub-committee will be approved by the CMC Co-chairs.

The CMC sub-committees will support CMC by:

- reviewing all proposals and materials presented for consultation or information purposes to CMC;
- researching, analyzing and identifying options related to the various issues; and
- presenting progress reports, updates or recommendations to CMC.

As much as possible, standing committees and working groups will use videoconferencing and teleconferencing to minimize cost and maximize efficiency in the conduct of their work.

CMC Secretariat

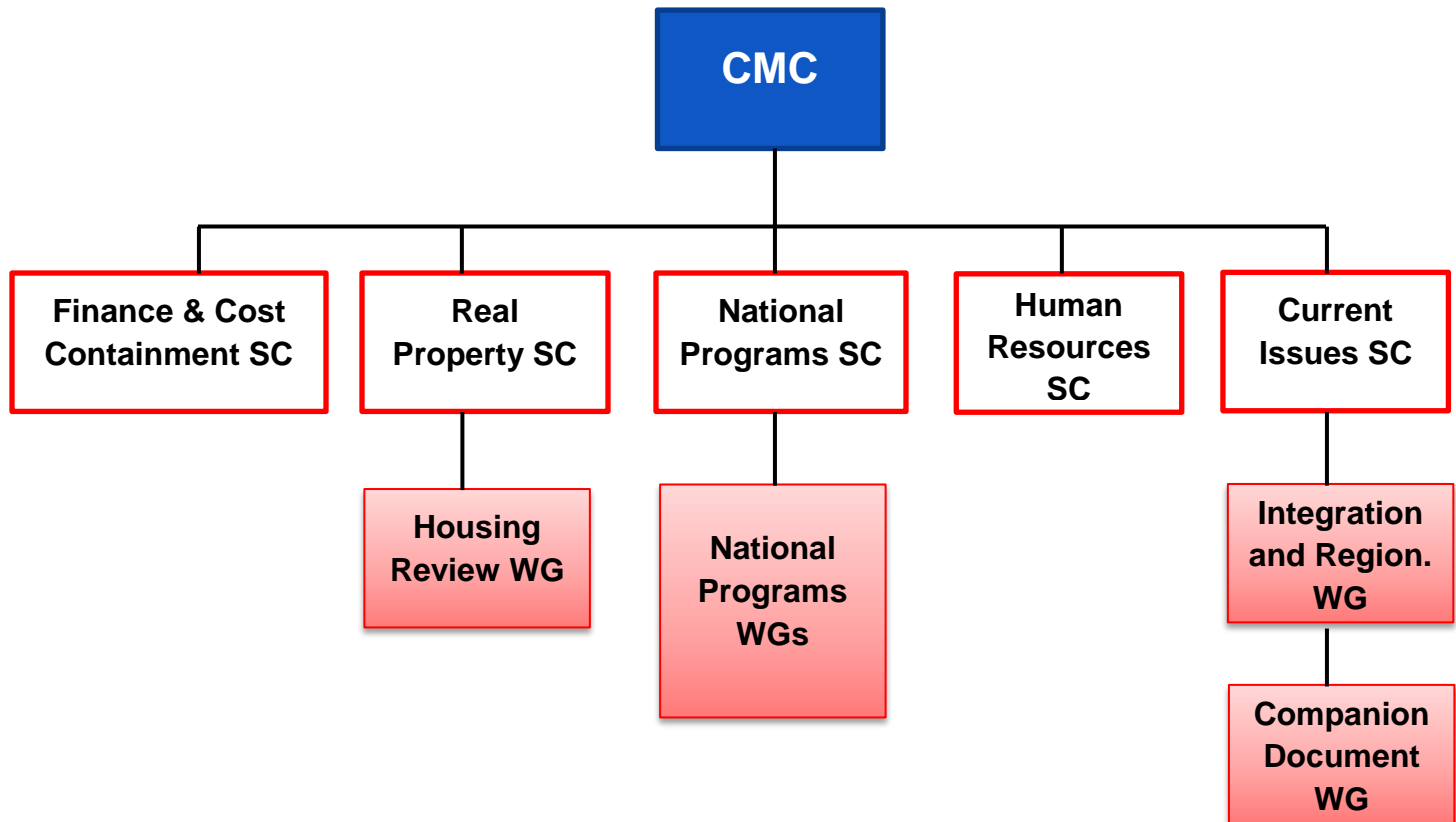
The CMC Secretariat will be provided through Public Safety Canada to support the Co-chairs in the co-ordination and organization of all CMC activities. In particular, the Secretariat will be responsible for:

- co-ordinating the activities and meetings of the CMC and its sub-committees;
- preparing and disseminating materials in support of CMC in a timely manner. [The agenda should be distributed one month prior to a meeting, and the materials two weeks prior to a meeting];
- maintaining general records for the CMC, including the drafting and finalization of RoDs from CMC meetings;
- co-ordinating and facilitating the production of reports required under the PSAs;
- acting as the main point of contact and liaison with all CMC member jurisdictions and other stakeholders to support effective meeting preparation, committee processes and follow-up, including tracking of action items;

- providing administrative support for CMC operations;
- maintaining the currency of the Companion Document and the access to it;
- co-ordinating communications and briefings of RCMP and other stakeholders on issues that affect contract policing;
- providing support to CMC Directed Reviews on RCMP programs; and
- providing support to CMC Five-Year Reviews.

The meeting room and hospitality costs associated with any activity of the CMC including the bi-annual meetings or any additional meetings are to be shared amongst all members when a meeting is not held in Ottawa.

Annex 1 CMC Standing Committee (SC) and Working Group (WG)
Initial Structure



Amendments Tracking Chart

Amendment Date	Version
November 2011	Original Version
December 2017	Current Version