

AGREEMENT

THIS AGREEMENT, dated this 30th day of June, 2010

BETWEEN:

HER MAJESTY THE QUEEN in the Right of the Province of Saskatchewan,
as represented by the Minister of Corrections, Public Safety and Policing
(hereinafter "the Province")

AND:

TECHNICAL SAFETY AUTHORITY OF SASKATCHEWAN,
incorporated pursuant to *The Technical Safety Authority of Saskatchewan Act*
(hereinafter the "Authority")

WHEREAS the Province wishes to maintain and enhance public safety, be responsive to client and industry needs, and support economic growth;

AND WHEREAS the Province wishes to increase industry involvement in technical safety matters;

AND WHEREAS *The Technical Safety Authority of Saskatchewan Act* provides for the delegation to an authority of the administration of regulated work as defined in *The Amusement Ride Safety Act*, *The Boiler and Pressure Vessel Act, 1999*, and *The Passenger and Freight Elevator Act*;

AND WHEREAS the Authority, incorporated under *The Technical Safety Authority of Saskatchewan Act*, wishes to accept such a delegation and to provide safety services to the public with respect to regulated work;

AND WHEREAS the parties wish to enter into the Agreement to establish the rights and responsibilities of the parties and the terms and conditions for the delegation to the Authority of administration of the Safety Statutes in accordance with *The Technical Safety Authority of Saskatchewan Act*;

NOW THEREFORE, the Parties agree as follows:

1.0 DEFINITIONS

1.01 In this Agreement:

(a) "Act" means *The Technical Safety Authority of Saskatchewan Act* and includes all regulations enacted under it;

"Agreement" means this agreement and includes the recitals and the schedules to this agreement;

“Authority” means the Technical Safety Authority of Saskatchewan, established pursuant to section 3 of *The Technical Safety Authority of Saskatchewan Act*;

“Effective Date” means, subject to section 17.02, July 1, 2010, or such later date as the parties may agree to in writing;

“New Records” means all records obtained or created by the Authority in the course of carrying out its administration of the provisions of the Safety Statutes, the Act and this Agreement;

“Provincial Records” means any record created by or for the Province in administering the Safety Statutes, but does not include Transferred Records;

“Records” means records as defined in *The Freedom of Information and Protection of Privacy Act*;

“Safety Statutes” means *The Amusement Ride Safety Act*, *The Boiler and Pressure Vessel Act, 1999*, and *The Passenger and Freight Elevator Act* and includes all regulations made pursuant to those Acts;

“Term” means the period described in article 4.0, and includes any renewal period pursuant to section 4.02; and,

“Transferred Records” means Provincial Records transferred to the Authority in accordance with subsection 29(1) of the Act.

1.02 Unless otherwise stated, the Definitions found in the Act, and the regulations referenced therein, apply to this Agreement.

1.03 The following Schedules are attached to and form part of this Agreement:

- Schedule “A” – Business Plan and Annual Report Requirements
- Schedule “B” – Performance Objectives, Safety Outcomes, and Targets
- Schedule “C” – Terms of Transfer of Employment – In-scope Employees
- Schedule “D” – Terms of Transfer of Employment – Out-of-Scope Employees

2.0 PURPOSE OF THE AGREEMENT

2.01 The parties agree that the purpose of this Agreement is to satisfy the requirements of section 25 of the Act for a safety standards agreement to establish the rights and responsibilities of the parties in respect of the delegation to the Authority of the administration of the provisions of the Safety Statutes.

3.0 SAFETY OUTCOMES AND PERFORMANCE OBJECTIVES

3.01 The expected safety outcomes to be achieved by the Authority in its administration of the Safety Statutes are those set out in Schedule “B”.

3.02 The performance objectives of the Authority and the targeted dates by which those performance objectives are to be met are those set out in Schedule "B".

4.0 TERM

4.01 Except as otherwise provided herein, the term of this Agreement shall be for five (5) years, commencing on the Effective Date.

4.02 At any time prior to the expiration of the term mentioned in section 4.01, the Parties may agree to extend the term of the Agreement for any further period of time. Any such extension must be in writing, and unless otherwise agreed to in writing, all of the terms and conditions of this Agreement shall continue in force in any such extension.

4.03 The parties will meet for the purposes of conducting a review of the workings of this Agreement and to recommend whether changes should be considered:

(a) during the month of October, 2010;

(b) at least 60 days prior to the first anniversary of the Effective Date; and,

(c) every two years thereafter.

4.04 The parties acknowledge that, as at the Effective Date, there has been insufficient time to establish certainty regarding the projected revenues and expenditures of the Authority for its first year of operations and accordingly, the parties have proceeded on the basis of projections and assumptions. The purpose of the October 2010 review is to assess the validity of such projections and assumptions and the effect on the proposed business plan of the Authority. The Parties agree that they will use good faith efforts to arrive at a consensus for the actual values and will share information and records as needed to substantiate their positions. For the first three years of this Agreement, all performance obligations of the Authority under this Agreement which are dependant on its financial capacity shall be interpreted as imposing an obligation on the Authority to use all reasonable efforts in the circumstances to achieve such obligations.

5.0 DELEGATED ADMINISTRATION

5.01 In accordance with subsection 25(1) of the Act, by entering into this Agreement, the administration of the Safety Statutes is delegated from the Province to the Authority, and the Authority is responsible for and shall carry out the administration of the Safety Statutes in accordance with the Act, the Safety Statutes and this Agreement.

5.02 In accordance with subsection 25(3)(c) of the Act, the Authority accepts its responsibility to exercise the powers and fulfil the duties delegated to the Authority pursuant to the Act and this Agreement.

6.0 OBLIGATIONS OF THE PARTIES

6.01 Nothing in this Agreement shall be interpreted to affect the Province's ability to legislate in regard to matters which may impact the Authority, and for further clarity, the Province retains sole responsibility for:

(a) amending the Act and enacting regulations as it deems appropriate; and,

(b) amending the Safety Statutes as it deems appropriate.

6.02 The Province may, at any time in its sole discretion, and at its expense, retain independent auditors or contractors to conduct an audit or review of the finances, the business or the operations of the Authority.

6.03 The Authority shall:

- (a) administer, perform and fulfil all duties, obligations and responsibilities under the Act, the Safety Statutes, and this Agreement and, except as may otherwise be provided for in this Agreement, is responsible for all liability which may arise as a result of carrying out those duties, obligations and responsibilities;
- (b) use its best efforts to meet the expected safety outcomes and performance objectives set out in Schedule "B" within the targeted timeframes set out in the Schedule. Where the Authority believes it will not meet any expected safety outcome or performance objective within the targeted timeframe, it will immediately notify the Province;
- (c) use its best efforts to carry out its duties, obligations and responsibilities in administering the Safety Statutes to a standard which meets or exceeds the standards for care, skill, diligence, professionalism and timeliness in administering the Safety Statutes which had been exercised by the Province prior to the Effective Date;
- (d) work collaboratively with the Province on all matters in respect of its administration of the provisions of the Act and the Safety Statutes;
- (e) work with local governments, other provincial governments, the government of Canada, and compliance monitoring agencies in revising or developing codes related to the administration of the provisions of the Act and the Safety Statutes;
- (f) provide written recommendations to the Province for safety related legislative, regulatory and policy initiatives and amendments in relation to the Safety Statutes, as these issues are identified by the Authority;
- (g) provide technical safety expertise to the Province in such form and manner as may be required by the Province;
- (h) if required to do so by the Province, take all necessary steps to maintain standing with the American Society of Mechanical Engineers as an Accredited Inspection Agency, and in such capacity provide advisory and inspection services to manufactures of boilers and pressure vessels, as those terms or other similar equipment are defined in *The Boiler and Pressure Vessels Act, 1999*, in the same manner as such advisory and inspection services were provided by the Province prior to the Effective Date;
- (i) provide information and reports to the Province:
 - (i.) in accordance with any requirements set out in the Act and this Agreement; and,

- (ii.) on any other matter involving the duties or responsibilities delegated to the Authority as may be reasonably requested by the Province;
- (j) ensure that its business plan addresses the requirements described in Schedule "A", and, is shared in draft format with the Province at least one month in advance of the date it is made available to the public under the Act;
- (k) ensure that the annual report contains detailed information addressing the elements listed in Schedule "A" to the Province's reasonable satisfaction;
- (l) for the purposes of section 6.02 , co-operate with any independent audit or review, including providing access to employees, contractors, and records of the Authority as may be reasonably required for such purpose; and,
- (m) comply with all other applicable laws in carrying out its duties, obligations and responsibilities under the Act, the Safety Statutes or this Agreement.

7.0 FINANCIAL TERMS

- 7.01 The Authority agrees that it will use any funding provided to it by the Province solely for the purposes of fulfilling its duties, obligations and responsibilities under the Act and this Agreement.
- 7.02 The Authority will ensure that it has adequate financial and other resources to carry out its obligations under this Agreement and its administration of the provisions of the Act, all in accordance with its business plan.
- 7.03 The Authority shall ensure that its accounting systems and financial statements will be prepared according to Generally Accepted Accounting Practices (GAAP).

8.0 TRANSFER OF ASSETS

8.01 In this Article:

- (a) "Assets" means those assets transferred from the Province to the Authority under section 29 of the Act;
- (b) "Contracts" means those contracts transferred and assigned from the Province to the Authority under section 29 of the Act; and,
- (c) "Liabilities" means those liabilities of the Province which are transferred to the Authority pursuant to section 29 of the Act.

8.02 The parties acknowledge that Assets, Contracts and Liabilities of the Province have or will be transferred to the Authority in accordance with section 29 of the Act.

8.03 Within four (4) weeks of the Effective Date, the Authority will contact the other parties to Contracts and advise that:

- (a) the Contract has been transferred and assigned to the Authority, and that the Authority is responsible for that Contract on and after the Effective Date; and,
- (b) where a Contract contains a provision exempting payment of GST as a result of the contract being made with the Province, the Authority will, where applicable, advise the other party that GST should be charged for goods or services provided on or after the Effective Date.

9.0 EMPLOYEE TRANSFER

9.01 In this Article:

- (a) "Employees" means those employees of the Province who, pursuant to section 29 of the Act, receive letters of transfer of their employment to the Authority;
- (b) "In-Scope Employees" means those Employees whose employment was governed by a collective bargaining agreement while employed with the Province; and,
- (c) "Out-of-Scope Employees" means those Employees whose employment was not governed by a collective bargaining agreement while employed with the Province.

9.02 Employees transferred pursuant to section 29 of the Act shall have their employment commence with the Authority on the Effective Date, in accordance with the following:

- (a) for In-Scope Employees, Schedule "C"; and,
- (b) for Out-of-Scope Employees, Schedule "D".

9.03 Nothing in this Agreement shall be interpreted to limit the ability of the Authority to change the terms of employment of Employees from those contained herein as may be permitted by law.

10.0 RECORDS AND ACCESS

10.01 Should any of the Transferred Records contain information which may constitute or contain:

- (a) legal opinion or advice; or,
- (b) information which may constitute a privilege of cabinet;

the Authority agrees that, upon discovery of the information, it will notify the Province. The Authority agrees it will maintain the information in confidence and it will not copy or distribute it without the prior written consent of the Province. The Province's right to claim any common law, cabinet or solicitor and client privilege with respect to Transferred Records is not waived in any manner by the transfer of the Transferred Records to the Authority.

10.02 In the event that the Authority is not a government institution within the meaning of *The Archives Act, 2004* as of the Effective Date, then until such time as the Authority becomes a government institution, the Authority will:

- (a) not destroy or transfer outside of the possession or control of the Authority, the Transferred Records or New Records without the prior written consent of the Province;
- (b) not use or disclose information from the Transferred Records or New Records except as may be required for the purposes of administering the Safety Statutes, the Act or fulfilling the requirements of this Agreement, or as may be required by law;
- (c) maintain the safe keeping and integrity of Transferred Records and New Records;
- (d) notify the Province in the event there is any breach or suspected breach of any of the provisions of this section by the Authority; and,
- (e) unless exempted from doing so in writing by the Province, manage the Transferred Records and New Records in the same manner as if they were records of the Province to which will apply the record information management policies and procedures of the Province.

10.03 Subject to any restrictions which may be applicable by law, including *The Freedom of Information and Protection of Privacy Act* and *The Health Information Protection Act*, the Province will provide the Authority with access to Provincial Records that the Authority may require for its legitimate purposes in its administration of the provisions of the Safety Statutes and carrying out its duties and responsibilities pursuant to the Act and the Agreement. Notwithstanding the foregoing, the Province is not required to provide access to records disclosing legal advice, draft legislation or advice, analysis or recommendations to ministers or cabinet.

- 10.04 Subject to any restrictions which may be applicable by law, including *The Freedom of Information and Protection of Privacy Act* and *The Health Information Protection Act*, the Authority will provide the Province with access to and copies of:
- (a) the Transferred Records; and,
 - (b) any New Records that the Province may reasonably request.
- 11.01 In the event that the Authority is not designated as a government institution pursuant to *The Freedom of Information and Protection of Privacy Regulations* as of the Effective Date, the Authority agrees:
- (a) that it will comply with the provisions of those Acts with respect to the information in Transferred Records or New Records which may constitute personal information or personal health information; and,
 - (b) that with respect to access requests for Transferred Records and New Records, it will follow the provisions of *The Freedom of Information and Protection of Privacy Act* and *The Health Information Protection Act* as if it were a government institution.
- 11.02 If the Authority receives a request for access under *The Freedom of Information and Protection of Privacy Act* or *The Health Information Protection Act* for a Transferred Record, it will notify the Province of the request and consult with it before finally responding to the request.
- 11.03 If the Province receives a request for access pursuant to *The Freedom of Information and Protection of Privacy Act* or *The Health Information Protection Act* involving a Transferred Record, the Province will transfer the access request to the Authority and the Authority will respond to the request.
- 11.04 The parties will provide reasonable ongoing assistance to each other in respect of any request for access to a record under *The Freedom of Information and Protection of Privacy Act* or *The Health Information Protection Act*, including assistance in respect of any appeals or other actions taken in respect of such a request.
- 11.05 The parties may develop further protocols as to requests for access to records made under *The Freedom of Information and Protection of Privacy Act* or *The Health Information Protection Act* in respect of any matter in which the Province has been or may be involved under the Act, the Safety Statutes or this Agreement.
- 12.0 COMMUNICATIONS**
- 12.01 As soon as reasonably practicable, but before December 31, 2010, the parties will establish a written communication protocol for managing critical safety issues under the Act. Once developed, the parties agree to comply with the provisions of the communication protocol.
- 12.02 Until such time as the written communication protocol has been established:

- (a) the Authority will be responsible to advise the public of critical safety issues or events which may arise;
- (b) the Authority will immediately notify the Province when it becomes aware of such critical safety issues or events;
- (c) where requested, the Province will provide assistance and advice to the Authority in relation to the effectiveness and messaging for any critical safety issues which may arise; and,
- (d) the Province and the Authority will consult on all non urgent communication activities which may relate to the Safety Statutes.

12.03 Any public announcement relating to this Agreement made by either party must be arranged in consultation with the other before the announcement is made.

13.0 INSURANCE

13.01 The Authority will, at its own expense and without limiting its liabilities under this agreement, provide and maintain the following insurances with insurers licensed in Saskatchewan:

- (a) commercial general liability insurance in an amount not less than \$2,000,000 (two million dollars) per occurrence, or such higher amount deemed necessary by the Authority, to insure against liability for the activities and operations conducted by the Authority, any person performing work on behalf of the Authority, and any others for whom the Authority is responsible in law. The commercial general liability insurance policy shall include the Province as an additional insured, and contain a severability of interests clause and a cross-liability clause; and,
- (b) professional liability insurance in an amount not less than \$5,000,000 (five million dollars) in aggregate, or such higher amount deemed necessary by the Authority.

13.02 As soon as reasonably practicable, the Authority shall notify the Province in writing of any changes to the insurance policies required by section 13.01.

13.03 Evidence of all required insurance, in a form acceptable to the Province, shall be promptly provided to the Province on request.

13.04 The Province may, from time to time, by notice to the Authority, require the Authority to:

- (a) change the amounts of the insurances required to be provided and maintained under this article; or,
- (b) provide and maintain other types of insurance in replacement of or in addition to the insurance previously required to be maintained under this Article.

13.05 The Authority will comply promptly with all requirements of all policies of insurance required pursuant to section 13.01 and will not do or permit anything to be done that results in the cancellation or threatened cancellation or reduction of coverage or

threatened reduction of coverage under any such policy, and shall notify the Province immediately in writing of any changes respecting the terms of the insurance as required by this Agreement.

14.0 INDEMNITY

- 14.01 The Authority shall indemnify and save harmless the Province, its servants, employees, contractors and agents from and against any and all claims, demands, losses, costs, damages, actions, suits or other proceedings suffered or incurred by or brought against the Province attributable to or arising out of anything done or omitted to be done by the Authority, its employees, contractors or agents on or after the Effective Date and which relates to or arises out of the Authority's administration of the Safety Statutes, or carrying out its duties and responsibilities under the Act or this Agreement.
- 14.02 The Province shall indemnify and save harmless the Authority, its servants, employees, contractors and agents from and against any and all claims, demands, losses, costs, damages, actions, suits or other proceeding suffered or incurred by or brought against the Authority attributable to or arising out of anything done or omitted to be done by the Province, its employees, contractors or agents prior to the Effective Date and which relates to or arises out of the Province's administration of the Safety Statutes.

15.0 DISPUTE RESOLUTION

- 15.01 If there is a dispute between the parties, the parties shall, acting reasonably and in good faith, use reasonable efforts to resolve the dispute between them, in the first instance, between the Assistant Deputy Minister of the Ministry of Corrections, Public Safety and Policing, on behalf of the Province, and the Chief Executive Officer of the Authority, on behalf of the Authority.
- 15.02 If the dispute cannot be resolved in accordance with section 15.01, the parties shall, acting reasonably and in good faith, use reasonable efforts to resolve the dispute between the Deputy Minister of the Ministry of Corrections, Public Safety and Policing, on behalf of the Province, and the Chairperson of the Board, on behalf of the Authority.
- 15.03 The parties agree that the resolution of disputes shall be guided by the interests of public safety, and the need to administer the Safety Statutes and carry out their respective responsibilities pursuant to the Act and this Agreement in a manner that serves the interests of public safety.

16.0 LITIGATION

- 16.01 Any action or proceeding, including inquests relating to the Safety Statutes commenced prior to the Effective Date, or commenced after the Effective Date but which relates to any act or omission, or any alleged act or omission of the Province in administering the Safety Statutes prior to the Effective Date, will be defended or otherwise carried out by the Province, and the Province will be responsible for all costs of the litigation and the payment of any settlement costs or damages, subject to any order of a court or tribunal of competent jurisdiction or to any agreement of the parties.

- 16.02 The Authority shall co-operate with the Province for the purpose of the Province's defence or other participation in any action or proceeding referred to in section 16.01, including without limitation, providing at no cost to the Province access to Transferred Records or other records, documentation, information and witnesses.
- 16.03 Any action or proceeding, including inquests relating to the Act, Agreement or the Safety Statutes or the exercise by the Authority of its powers thereunder, commenced after the Effective Date and which relate to any act or omission, or any alleged act or omission of the Authority, will be defended by or otherwise carried out by the Authority, and the Authority will be responsible for all costs of the litigation and the payment of any settlement costs or damages, subject to any order of a court or tribunal of competent jurisdiction or to any agreement of the parties.
- 16.04 The Province reserves the right to defend any action or proceeding mentioned in section 16.03 on its own behalf and at its own cost where it determines that it has an independent interest in the action or proceeding, or portion thereof.
- 16.05 The Province will, where appropriate, cooperate with the Authority for the purpose of the Authority's defence or other participation in any action or proceeding mentioned in section 16.03.
- 16.06 The Authority shall notify the Province and keep the Province informed of any civil, administrative or criminal actions or proceedings involving the Authority.

17.0 CONDITIONS PRECEDENT

- 17.01 The Effective Date of this Agreement is subject to the satisfaction of the following conditions:
- (a) The Act has been proclaimed in its entirety; and,
 - (b) All insurance that the Authority is required to provide and maintain under this Agreement has been obtained.
- 17.02 The conditions set out in section 17.01 may be waived in whole or in part by the Province delivering to the Authority a written waiver to that effect signed by the Province.

18.0 TERMINATION OF THIS AGREEMENT

- 18.01 The Province may terminate this Agreement immediately in the event:
- (a) the Authority becomes bankrupt or insolvent or takes the benefit of any statute now or hereafter in force relating to bankrupt or insolvent debtors;
 - (b) a receiving order is made against the Authority or the Authority makes an assignment for the general benefit of its creditors;
 - (c) an order is made or a resolution passed for the winding-up of the Authority; or,

(d) a receiver or liquidator of the Authority's business or property is appointed.

18.02 In the event the Authority fails to comply with the Act, this Agreement, or fails to administer the Safety Statutes, the Province may give the Authority notice to remedy the failure to comply or to make progress satisfactory to the Province toward remedying the failure to comply. The Authority will have such period of time as set out in the notice to remedy the failure or make satisfactory progress toward remedying the failure to comply. Should the Authority fail to rectify to the reasonable satisfaction of the Province, the Province may terminate the Agreement.

18.03 Either party may terminate this Agreement on twelve (12) months prior written notice of termination to the other party.

18.04 To ensure that the public interest is always protected, the parties agree to develop a termination/expiration plan for continuation of services in the event that this Agreement expires or is terminated that shall include but not be limited to the following:

(a) a list of the Authority's assets and liabilities;

(b) provisions for the transfer of the administration of the Safety Statutes and the Act and the transfer of the Authority's assets and liabilities to the Province or to any successor of the Authority; and,

(c) provisions dealing with the status and employment of the employees of the Authority.

18.05 In the event that a termination/expiration plan referred to in section 20.04 is not in place at the time of termination or expiration of this Agreement, the Authority agrees:

(a) to preserve and turn over or assign to the Province, or to any person designated by the Province, all assets, contracts, property, Records and other rights or interests of the Authority which are determined by the Province to be necessary to maintain the administration of the Act or the Safety Statutes; and,

(b) to assist in the transfer of any employees to the Province or a person designated by the Province.

18.06 The Authority will comply with all reasonable directions which may be given by the Province pursuant to section 18.05.

19.0 MISCELLANEOUS

19.01 This Agreement may be amended only by written agreement between the parties.

19.02 This Agreement and any subsequent amendment to this Agreement will be public documents which may be disseminated by either party to any person and by any means.

19.03 This Agreement shall be interpreted and applied in the courts and according to the laws in force in the Province of Saskatchewan.

19.04 Time is of the essence in this Agreement.

- 19.05 The Authority shall not assign, delegate or subcontract its powers or responsibilities under the Act, the Agreement or the Safety Statutes except as may be permitted by the Act and with the prior written consent of the Province.
- 19.06 Notwithstanding section 19.05, the Province's prior written consent is not required for the Authority to appoint special inspectors pursuant to *The Boiler and Pressure Vessel Act, 1999* and *The Amusement Safety Ride Act*.
- 19.07 The headings in this document have been included for convenience only and are not an aid in the interpretation of this document.
- 19.08 If any provision of this Agreement is invalid or unenforceable to any extent, the remainder of this Agreement will not be affected or impaired thereby and will be valid and enforceable to the extent permitted by law.
- 19.09 Notwithstanding any other provision of this Agreement, those clauses which by their nature continue after the expiry or termination of the Agreement shall continue after such expiry or termination, including without limitation:
- (a) Article 10.0 Records and Access;
 - (b) Article 11.0 Freedom of Information and Protection of Privacy Act Requests;
 - (c) Article 13.0 Insurance;
 - (d) Article 14.0 Indemnity ;
 - (e) Article 16.0 Litigation; and,
 - (f) Article 18.0 Termination of This Agreement.
- 19.10 This Agreement shall be for the benefit of and binds the successors and permitted assigns of the parties.
- 19.11 This Agreement and the Schedules constitutes the entire agreement between the parties.
- 19.12 In the event of conflicts or inconsistencies between anything contained in this Agreement and any Schedule, the Agreement takes precedence.
- 19.13 This agreement may be executed in counterpart and may be delivered by electronic facsimile.
- 20.0 NOTICE**
- 20.01 Any notices or communications required or permitted to be given pursuant to this Agreement shall be in writing and may be delivered, or sent by certified mail addressed to:
- (a) in the case of The Province:

Deputy Minister
Ministry of Corrections, Public Safety and Policing
12th Floor, 1874 Scarth Street
Regina, Saskatchewan
S4P 4B3

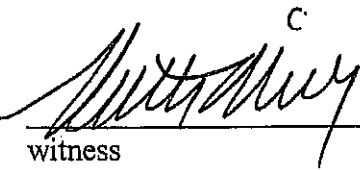
(b) in the case of the Authority:

Chief Executive Officer
The Technical Safety Authority of Saskatchewan
1855 Victoria Avenue
Regina, Saskatchewan
S4P 3V5

and if so delivered shall be deemed to have been given when delivered, and if so mailed shall be deemed to have been given on the third business day after the date of mailing except in the case of a mail strike or other disruption of postal service in which case it shall be deemed to have been given on the third business day after such strike or disruption ceases.

Either party may change its address hereunder by giving the other party written notice of the change.

IN WITNESS WHEREOF the parties have duly executed this Agreement.

Date: June 30/10)
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witness

**HER MAJESTY THE QUEEN
in the Right of Saskatchewan,
as represented by the Minister
of Corrections, Public Safety and
Policing**



IN WITNESS WHEREOF the parties have duly executed this Agreement.

Date: _____

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**HER MAJESTY THE QUEEN
in the Right of Saskatchewan,
as represented by the Minister
of Corrections, Public Safety and
Policing**

Date: July 1, 2010

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**The Technical Safety Authority
of Saskatchewan**

Per: 

Per: 

Date: _____

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**The Technical Safety Authority
of Saskatchewan**

Per: _____

Per: _____

SCHEDULE "A"**Business Plan and Annual Report Requirements****Business Plan Requirements**

The Business Plan of the Technical Safety Authority of Saskatchewan shall, at a minimum, include descriptions of the following:

1. **Organizational Overview (including Mission Statement, Vision, and Core Values)**
2. **Service Description**
3. **Performance Measures and Outcomes**
4. **Governance, Management, and Personnel**
5. **Financial Plan**
6. **Key Strategic Issues and Risks**

Annual Report Requirements

The Annual Report of the Saskatchewan Technical Safety Authority shall, at a minimum, include the following:

1. **Message from the Chair**
2. **CEO's Report**
3. **Organizational Overview**
4. **Report on Performance and Outcomes**
5. **Consolidated Financial Statements (Audited)**
6. **Names of Directors and Officers**

SCHEDULE "B"

PERFORMANCE OBJECTIVES, SAFETY OUTCOMES, AND TARGETS

Expected Outcomes	Performance Objectives	Targets
Achieve and maintain financial sustainability.	<ul style="list-style-type: none"> • As a self sustaining not for profit organization, achieve break even financial performance or annual surplus. • Maintain adequate surplus and monitor net financial assets to protect the organization from unforeseen circumstances that would affect the viability of the organization. 	<p>Year 2.</p> <p>By June 30, 2016, have adequate surplus to cover average operating costs for a six month period.</p>
Promote activities which will enhance public safety and prevent accidents with respect to regulated work and regulated products.	<p><u>Risk Mitigation:</u></p> <ul style="list-style-type: none"> • For all technologies covered by the statutes for which they are responsible, the Authority will report on statistical indicators for safety, including: <ul style="list-style-type: none"> ○ Total inspections; ○ Total outstanding inspections*; ○ Total reported incidents; and, ○ Total corrective action reports. <p>*Outstanding inspections are defined as inspections related to licensed equipment whose periodic inspection interval has exceeded either:</p> <ul style="list-style-type: none"> • The inspection intervals as defined within the Safety Statute regulations; or, • The inspection intervals as categorized through safety program policy. <ul style="list-style-type: none"> • For each technology for which it is responsible, the Authority will develop an effective process for the identification of major risks and the development of appropriate risk mitigation plans, including any recommendations for legislative or regulatory changes with respect to those risks. • The Authority will continue to implement the Quality Management System approach to inspections of boilers and pressure vessels. Once a baseline is established, the Authority will set targets for measurement of this objective. <p><u>Trend Analysis:</u></p> <p>The Authority will:</p> <ul style="list-style-type: none"> • Identify trends in all sectors regulated by the Authority; • Provide explanations for trends and explain the measures implemented by the Authority to monitor the trends and mitigate the risks; and, • Work towards comparing trends in Saskatchewan to other jurisdictions where 	<p>Quarterly, with the first report due October 30, 2010.</p> <p>July 1, 2011 and annually thereafter.</p> <p>An increase from the baseline in the per cent of licensed equipment inspected through Quality Management Systems.</p> <p>Annually, with the first report due September 1, 2012.</p>

	<p>possible.</p> <p><u>Incident Investigation:</u></p> <p>An incident is defined as:</p> <ul style="list-style-type: none"> • An explosion, serious fire, rupture or serious overheating of a boiler, pressure vessel, refrigeration plant or pressure piping system; or, • An accident that causes death or serious injury to a person and arises out of the operation of a boiler, pressure vessel, refrigeration plant, pressure piping system, elevating device, or amusement ride. <p>The Authority will:</p> <ul style="list-style-type: none"> • Investigate incidents; • Analyze the information gathered during the investigation to determine the cause to the extent possible; and, • Take necessary action to resolve systemic problems (eg. issue directives and/or public safety alerts, introduce safety initiatives, etc.) 	<p>Annually, beginning with the first Annual Report.</p>
<p>Be responsive to the needs of the Saskatchewan public who use the equipment which the Authority regulates, the clients who pay for the Authority services, and stakeholders who have a role to play in the safety system.</p>	<p><u>Client Satisfaction:</u></p> <p>Using a process determined by the Authority, the Authority will complete a report reviewing client satisfaction with services. The Authority will utilize the results to refine services to improve client satisfaction, within the context of the regulatory and fiscal responsibilities of the Authority.</p> <p><u>Responsiveness to Public and Client Needs:</u></p> <p>The Authority will engage in education and communication initiatives that focus on risks, as defined by the Authority, for the technologies regulated by the Authority.</p>	<p>To be completed by December 31, 2012.</p> <p>Annually, beginning in first full year of operation.</p>
<p>Promote and encourage the unification of technical safety standards nationally and internationally.</p>	<p>The Authority will contribute to and participate in the development of national and international standards for boilers and pressure vessels, elevators, and amusement rides.</p>	<p>Ongoing.</p>

SCHEDULE "C"

TERMS OF TRANSFER OF EMPLOYMENT – IN-SCOPE EMPLOYEES

Letter of Understanding #2010-05

Between

**The Saskatchewan Government and General Employees' Union
(herein referred to as "the Union")**

And

**The Public Service Commission
(herein referred to as "the PSC")**

And

**The Technical Safety Authority of Saskatchewan
(herein referred to as "the Authority")**

RE: The Transfer of Employees From The Ministry of Corrections, Public Safety and Policing to the Technical Safety Authority of Saskatchewan

The parties to this Letter of Understanding agree as follows:

1. All in-scope employees of the Licensing and Inspection Branch of the Ministry of Corrections, Public Safety and Policing shall be transferred to the Technical Safety Authority of Saskatchewan on the later of July 1, 2010 or the date that the safety standards agreement to be entered into between the Technical Safety Authority of Saskatchewan and the Minister of Corrections, Public Safety and Policing on behalf of the Government of Saskatchewan pursuant to section 25 of *The Technical Safety Authority of Saskatchewan Act* becomes effective.
2. The transfer of employees is conducted under the authority of, and in accordance with, the provisions of subsections 29 (2) and (3) of *The Technical Safety Authority of Saskatchewan Act* and as a result all transferred employees, upon transfer, shall cease to be employees of the Government of Saskatchewan and shall become employees of the Technical Safety Authority of Saskatchewan.
3. Section 37 of *The Trade Union Act* applies to the transfer of employees. Upon transfer the employees shall remain within the SGEU - PS/GE collective bargaining unit and the PS/GE collective agreement shall govern the employment relationship between the Authority and the transferred employees.
4. Effective the date of transfer the Technical Safety Authority of Saskatchewan shall be an "agency" in accordance with Article 2.1 of the PS/GE collective agreement.

5. Should the Technical Safety Authority of Saskatchewan wish to pursue a separate bargaining unit within SGEU in accordance with subsection 37(2) of *The Trade Union Act*, the Authority shall provide the SGEU with at least 90 days notice if the Authority intends to do so.
6. The following terms and conditions shall apply to the transfer and the transferred employees:
 - a) Transferred employees shall maintain their employment status, classification, rate of pay, hours of work arrangements, increment date and benefits as currently provided by the PS/GE collective agreement.
 - b) Transferred employees shall carry over earned sick leave, earned days off, earned vacation leave, vacation leave entitlements, service for the purpose of calculating severance and all seniority earned while an employee of Executive Government in accordance with the PS/GE collective agreement.
 - c) Transferred employees currently serving a probationary period with the Ministry of Corrections, Public Safety and Policing shall complete their probationary period with the Authority. If a transferred employee is on subsequent probation on date of transfer, and if that transferred employee fails on subsequent probation, reversion rights apply in accordance with the provisions of the PS/GE collective agreement.
 - d) Transferred employees not on probation on transfer shall not be required to serve a new probationary period.
 - e) All earned overtime accumulated by the transferred employees shall be transferred to the Authority in accordance with the provisions of the PS/GE collective agreement and at the appropriate premium rate effective the date of transfer.
 - f) Transferred employees on an approved definite leave of absence prior to transfer will have their leave of absence honored by the Authority. Upon completion of the definite leave the transferred employee shall be reinstated in accordance with Article 18.3 of the collective agreement.
 - g) Prior to the date of transfer the parties shall finalize the list of employees to be transferred. The parties agree that for each transferred employee listed the following information, where applicable, becomes part of the Letter of Understanding:
 - increment date
 - current salary
 - date for next increment
 - seniority date
 - any arrangements or assignments in existence and expiry date for:
 - job share
 - variable hours
 - Temporary Assignment of Higher Duties (TAHD)
 - probationary period expiry date
 - definite leave of absence and expiry date
 - Term employee employment expiry date
 - re-employment rights and expiry date

- h) All transferred employees who are contributing members of the Public Service Superannuation Plan or the Public Employees Pension Plan shall continue to participate in the plans.
- i) All transferred employees shall continue as members of the Dental, Extended Health and Group Life benefit plans and retain the same benefits under those plans upon transfer.
- j) All transferred employees shall remain members in the SGEU Long Term Disability Plan.

**Signed on behalf of the Government
of Saskatchewan – Public Service
Commission**

**Signed on behalf of the
Saskatchewan Government and
General Employees' Union**

Chair, PS/GE Bargaining Unit

Date

Date

The Technical Safety Authority of Saskatchewan

President, SGEU

Per: _____

Date

Per: _____

Date

SCHEDULE "D"

TERMS OF TRANSFER OF EMPLOYMENT – OUT-OF-SCOPE EMPLOYEES

TECHNICAL SAFETY AUTHORITY OF SASKATCHEWAN

Letter of Commitment

Terms and Conditions of Employment Applicable to Employees of The Technical Safety Authority of Saskatchewan Not Covered by the Collective Bargaining Agreement

Preamble

The Technical Safety Authority of Saskatchewan is keenly aware of and acknowledges the contribution to the overall success and function of the Authority of employees not covered by the collective bargaining agreement and endeavors to be a responsible, non-discriminatory and best practices employer, one which seeks to protect the interests and well being of its employees.

Commitment

Effective the effective date of transfer of employees to The Technical Safety Authority of Saskatchewan the Authority hereby commits to recognize and abide by the terms and conditions of employment applicable to transferred employees excluded from the collective bargaining agreement (out-of-scope) as they existed immediately prior to the effective date of transfer, including those specified in the Appendix attached. These terms and conditions of employment are of the type and nature applicable to excluded employees of the Executive Government of Saskatchewan and other public service employers. The Technical Safety Authority of Saskatchewan will conduct a continuous best practices review of all of its corporate human resource policies and practices and will initiate and implement adjustments and enhancements to the terms and conditions of employment that are proven to be appropriate and in the best interests of the Authority and its employees.

Effective the effective date of transfer of excluded employees to the Technical Safety Authority of Saskatchewan the terms and conditions of employment as described in the Appendix shall continue to apply to the transferred excluded employees and their application and administration and all benefit levels shall be the same as with Executive Government. The Authority, in accordance with *The Technical Safety Authority of Saskatchewan Act*, and with sufficient and appropriate notice, may amend the terms and conditions of employment applicable to excluded employees.

Technical Safety Authority of Saskatchewan

Per: _____

Witness

Per: _____

Witness

Date

APPENDIX

Technical Safety Authority of Saskatchewan (herein "the Authority") – Terms and Conditions of Employment Applicable to Employees Not Covered by the Collective Bargaining Agreement

A. Classification

The Management Classification and Compensation Plan (MCP) to allocate and classify positions in a classification and compensation structure will be retained by the Authority and made applicable to positions excluded from the collective bargaining agreement.

Terms and conditions:

- the Authority shall allocate or classify all excluded positions in the Authority in the MCP classification plan
- an employee shall have the right to request position classification review
- an employee shall have the right to appeal position allocation or classification decision
- the Authority shall have the right to assign duties and responsibilities to positions and to direct and control the work of the Authority
- the Authority may temporarily reclassify a position where the duties and responsibilities change on a non-permanent basis

B. Recruitment, Appointment and Transfer

Terms and conditions:

- The Authority:
 - shall appoint employees to all positions in the Authority
 - shall establish policies and procedures respecting the recruitment and appointment of employees to positions in the Authority
 - may fill a vacant position by transfer of an employee
 - may fill a vacant position on a temporary basis and may terminate the employment of the temporary employee before the expiry of the employment period where there is a shortage of funds; there are material changes in the responsibilities of the position or the Authority; the employee is unsuitable; it is in the interest of the Authority to do so

C. Probationary Period

Terms and conditions:

- The Authority:
 - shall establish a probationary period for every position in the Authority and the employee's performance shall be assessed as the final step in the staffing process before making an appointment
 - may extend or waive the probationary period
 - shall establish policies and procedures respecting probation on initial appointment and probation on subsequent appointment
 - confirm the appointment of a probationary employee at the completion of the employee's probationary period on documentation of satisfactory performance

D. Demotion, Suspension, Lay-Off, Dismissal

Terms and conditions:

- The Authority:
 - may demote an employee to another position
 - may suspend an employee with or without pay for disciplinary or other reasons
 - may lay-off employees where there is a shortage of work or funds, the position is abolished or there are material changes in the responsibilities of the position or the Authority
 - may dismiss an employee for misconduct or where it is in the interests of the Authority to do so

E. Compensation and Pay Administration

Terms and conditions:

- The Authority:
 - shall establish compensation and salary administration policies and procedures respecting appointment, transfer, promotion, demotion and reclassification
 - may establish temporary salary supplements for positions or classes of positions in the Authority and establish policies and procedures pertaining thereto
 - may, upon promotion of an employee to a position having a higher salary range maximum, authorize a salary at the minimum of the regular salary range for the position; at up to but not exceeding 10% above the employee's salary immediately before the promotion; at the maximum of the regular salary range of the position
 - may, upon reclassification of an employee's position to a higher classification level, authorize a salary at the minimum of the salary range for the higher position classification level; at up to but not exceeding 10% above the employee's salary immediately before the reclassification; at the maximum of the salary range of the higher position classification level
 - shall establish salary administration policies and procedures respecting the temporary assignment of higher level duties to an employee and upon temporary substitution to another position
 - shall establish policies and procedures respecting:
 - salary structure adjustments, in-range salary adjustments and performance based compensation (performance pay)
 - overtime compensation including the designation of positions eligible to receive overtime compensation
 - vehicle allowance for senior officials
 - other compensation and pay administration matters

F. Working Conditions

Terms and conditions:

- the hours of work of excluded employees of the Authority shall be those required to successfully perform the duties and responsibilities of the position
- employees shall be entitled to leave with pay on the following designated holidays: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Saskatchewan Day,

Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, and one additional day each year designated by the Authority

- the Authority shall designate the positions of the Authority which shall require a criminal record check and shall establish policies and procedures respecting criminal record checks
- an employee absent from duties without being specifically authorized shall be deemed to be absent without pay and the absence may be subject to disciplinary action by the Authority
- the Authority may require an employee to undergo an examination by a duly qualified medical practitioner where the Authority considers that an examination is desirable to determine that the employee's health enables the employee to perform the employee's duties and responsibilities adequately and safely and the Authority shall pay the cost of any medical examination so required
- where an Act or the Authority requires that an employee be a member of a professional association the Authority shall pay, on behalf of the employee, or reimburse the employee, the cost of the professional fee
- the Authority shall establish policies and procedures respecting:
 - conflict of interest and code of conduct
 - the employment of relatives in the Authority
 - relocation of appointees and employees
 - sustenance and travel allowances where an employee is away from the employee's usual place of work on business for the Authority
 - the protection of employees where employees utilize video display equipment as part of their work
 - the indemnification of an employee charged with a criminal offence or sued as a result of actions carried out by the employee in good faith and within the scope of the employee's employment duties and responsibilities with the Authority
 - employee attendance at work during periods of extreme weather including leave for early departure, late arrival and absence
 - time off to vote in federal, provincial and municipal elections

G. General Benefit Programs

The Authority shall establish the following general corporate benefit programs:

- employee and family assistance
- flexible benefit account
- long service recognition
- tuition and book reimbursement
- scheduled days off (SDO)

H. Workplace Policies

The Authority shall establish the following workplace policies:

- violence in the workplace - protection of employees
- anti-harassment
- objectionable conduct
- corrective discipline and performance improvement
- communicable disease in the workplace – protection of employees
- acceptable IT usage
- alcohol and drug abuse and illicit use of drugs in the office
- response to a fatality in the workplace

- employment accommodation: return to work-rehabilitation
- employment accommodation: persons with disabilities

I. Leave of Absence

Vacation Leave

The Authority shall establish the following:

- for the purposes of determining vacation leave entitlement with the Authority, years of service shall include:
 - service with the Executive Government of Saskatchewan
 - any board, commission or crown corporation of the Government of Saskatchewan
 - other service and other service with related organizations and entities as specified and authorized by the Authority
- annual vacation leave with pay entitlements:
 - during the first year of employment – one and one quarter days for each completed month of service
 - following one year of service and up to but not including the vacation year in which the employee completes eight years of service – 3 weeks
 - eight years of service and up to but not including the vacation year in which the employee completes fifteen years of service – 4 weeks
 - fifteen years of service and up to but not including the vacation year in which the employee completes twenty-two years of service – 5 weeks
 - during the vacation year in which the employee completes twenty-two years of service and every vacation year thereafter – 6 weeks
- policies and procedures respecting vacation leave for partial months of service, granting and directing vacation leave, carry-over, pay-out, pay in lieu of vacation leave, vacation pay, salary in advance of vacation leave, vacation leave in year of retirement, other special provisions as appropriate

Sick Leave

The Authority shall establish the following:

- 15 paid sick leave days per year to be provided at the beginning of each fiscal year
- sick leave shall be earned on the basis of 1 1/4 days for each completed month of service
- unused sick leave credits shall be accumulated
- policies and procedures respecting prorating of sick leave for less than full-time employment, granting and approving of sick leave, use of sick leave during planned vacation leave, requirement for medical certificate, ability to draw on future sick leave credits, transfer of sick leave credits upon appointment within the Authority, continuation of sick leave credits following a break in service with the Authority, use of sick leave related to pregnancy, other special provisions as appropriate

Pressing Necessity Leave – Leave for Personal/Family Matters

The Authority shall establish policies and procedures respecting leave of absence with pay chargeable to an employee's sick leave credits for purposes and reasons of pressing necessity, personal matters and family responsibilities (personal/family leave).

Leave of Absence Without/With Pay

The Authority shall establish policies and procedures respecting:

- definite and indefinite leave of absence without pay
- leave of absence without pay for maternity, paternity, adoption, prolonged illness
- leave of absence with pay
- education leave, including assistance allowances; use of vacation leave, banked time, scheduled days off; return service commitment
- application of benefits during leave of absence
- granting and approving leaves of absence

Pregnancy, Adoption and Parental Leave and Workers' Compensation Leave

The Authority shall establish the following supplemental leave programs:

- pregnancy leave supplemental benefit
- adoption leave supplemental benefit
- parental leave supplemental benefit

The Authority shall establish a workers' compensation leave benefit program where an employee is injured or contracts an industrial illness in the performance of the employee's duties and responsibilities for the Authority and the accident or illness is compensable pursuant to *The Workers' Compensation Act, 1979*.

Deferred Salary Leave

The Authority shall establish policies and procedures respecting a Deferred Salary Leave Plan (DSLPL).

J. Group Pension and Benefit Plans

The Authority shall establish and support the following employee group benefit plans:

- superannuation as administered by the Public Employees Benefits Agency (PEBA)
 - Public Service Superannuation Plan (PSSP)
 - Public Employees Pension Plan (PEPP)
- employee group benefit plans as administered by PEBA:
 - Dental
 - Extended Health Care
 - Disability Income
 - Life Insurance
 - Deferred Salary Leave