



# **Ontario Shipbuilding Grant Program Program Guideline**

**Ministry of Transportation  
2025**

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Potential applicants are advised to read this Guideline in its entirety to understand the full details and requirements of the Ontario Shipbuilding Grant Program (OSGP) before applying.

To apply to the OSGP, an account must be set up on Transfer Payment Ontario (TPON), the Province of Ontario's online application system for grant funding.

The OSGP is accepting only one application per applicant.

## **OSGP Guideline Version 1.0**

# **1. Overview**

## **1.1 Purpose**

This Guideline provides an overview of the Ministry of Transportation's Ontario Shipbuilding Grant Program (OSGP) including, but not limited to, eligibility, application requirements and funding parameters. The information included in this Guideline is also intended to assist potential applicants with submitting an application to the OSGP.

Organizations interested in applying to the OSGP should review the Guideline in its entirety to ensure that all requirements are understood.

Following the Ministry selection process, successful OSGP applicants will be required to enter into a transfer payment agreement with the Ministry. In the event of any conflict or

inconsistency between this Guideline and any terms or conditions in an OSGP Transfer Payment Agreement (the “**TPA**”), the TPA shall prevail.

Please note that capitalized words throughout this Guideline are defined in the Glossary.

### ***Contact Us***

For questions regarding the OSGP, contact the Ontario Marine Partnerships and Development Office at [marine@ontario.ca](mailto:marine@ontario.ca).

Business advisory services for Ontario small and medium-sized businesses are available. To be connected with a local Senior Business Advisor for advice on developing and strengthening your application to the OSGP, please contact:

Southern Ontario Region:

Central Region (Greater Toronto Area, Simcoe County, and Muskoka Region)

- [centralregionbas@ontario.ca](mailto:centralregionbas@ontario.ca)

Eastern Region (All counties east of Durham Region)

- [easternregionbas@ontario.ca](mailto:easternregionbas@ontario.ca)

Western Region (All counties west of Hamilton Region including Niagara Region)

- [westernregionbas@ontario.ca](mailto:westernregionbas@ontario.ca)

All Southern Ontario Regions:

- Tel: 416-314-8880
- Toll-free: 1-800-361-3223
- TTY: 416-325-3408
- Toll-free TTY: 1-800-268-7095

Northern Ontario Region:

- Contact a [northern development advisor](#).
- Toll-free: 1-866-711-8304

### ***Disclaimer***

This is not a legal document. This Guideline is intended as a resource for information and assistance only and shall not be used or construed as legal advice. This Guideline does not replace or modify any legislation, regulations, municipal by-laws, or contractual agreements, and is only intended to provide general information about the OSGP. This Guideline is not intended to provide interpretations of the law or identify laws that may be applicable.

Nothing in this Guideline shall be construed as a contractual offer by the Ministry. No contractual relationship exists between the Ministry and an applicant by virtue of this Guideline and, without any limitation upon the foregoing, the Ministry explicitly rejects all contractual obligations arising out of and in respect of this Guideline and the OSGP.

The Ministry reserves the right to amend this Guideline and any term, condition, or otherwise requirement contained herein, at any time throughout the course of the OSGP in its sole and absolute discretion.

The OSGP is a discretionary program with limited funding approved through a competitive process. Meeting the OSGP's eligibility criteria or submitting a high-scoring application does not guarantee that an application will be approved for funding. There is no guarantee of funding, and the Ministry reserves the right to make final funding decisions. The Ministry also reserves the right to adjust the amount of funding a Recipient may receive, which may differ from the funding requested.

The Ministry may terminate the OSGP at any time without liability, penalty, or costs, including, after the publication of this Guideline and, in the case where the Ministry has entered into a legally binding transfer payment agreement with any successful applicant, in accordance with such termination entitlements contained therein.

## 1.2 Context

The marine sector is a key and growing segment of Ontario's economy and continues to be an integral part of the province's multimodal transportation network.

Ontario's Shipbuilding industry supports the movement of people and goods across the province, while promoting safety and security. Enhancing the competitiveness of Ontario's Shipbuilding industry is key to unlocking the untapped potential of Ontario's marine sector and fostering economic development throughout the province. Ensuring the proper infrastructure is in place and workers are trained to support Ontario's Shipbuilding industry is a critical first step toward unlocking the sector's full potential.

As part of Ontario's plan to support the marine sector, as outlined in *The Future of the Great Lakes Economy: Ontario's Marine Transportation Strategy*, the OSGP is intended to provide shipbuilders in Ontario with support to improve competitiveness, modernize operations and position them for new business opportunities and growth.

## 1.3 Program Overview

The OSGP is a time-limited, application-based funding program aimed at enhancing the growth and competitiveness of Ontario's Shipbuilding industry.

The OSGP will provide support to Ontario shipbuilders through non-repayable grants towards infrastructure, machinery/equipment and workforce training initiatives in Ontario that support the Shipbuilding industry by:

- Enhancing operational efficiency, productivity and/or economic competitiveness,
- Unlocking business growth or new business opportunities, and/or
- Enhancing long-term manufacturing or organizational capacity.

The OSGP is managed by the Ministry of Transportation, with funding awarded through a competitive process. For the purposes of the OSGP, Shipbuilding refers to the construction, refit, retrofit, repair, and/or maintenance of marine vessels for commercial, research, passenger transportation or other special purpose uses (e.g., search and rescue, national defense).

Please note that the OSGP will fund successful projects for up to a maximum of two years.

## **2. Program Parameters**

### **2.1 Applicant Eligibility**

To be eligible to apply to the OSGP, applicants must:

1. Be legally authorized to operate a for-profit business in Ontario;
2. Subject to the requirements outlined in section 2.1.1, have their Principal Business be constructing, refitting, retrofitting, repairing or maintaining marine vessels for commercial, research, passenger transportation or other special purpose uses (e.g., search and rescue, national defense);
3. Operate a physical Shipbuilding facility in Ontario and be actively carrying out Shipbuilding activities in Ontario;
4. Have the financial capacity to deliver the project for which funding is being sought; and
5. Not be in the process of or currently preparing the business for closure, dissolution, bankruptcy, or sale.

Applicants that meet the requirements set out above are eligible to apply to the OSGP.

As part of the application process, applicants will be required to submit supporting documentation to assist the Ministry with verifying eligibility. Please see section 3.2 for information on required supporting documentation.

### **2.1.1 Principal Business Eligibility Requirements**

Regarding the OSGP's eligibility requirements on Principal Business, more than fifty percent (50%) of an applicant's business revenue must stem from the construction, refitting, retrofitting, repairing and/or maintenance of marine vessels for commercial, research, passenger transportation or other special purpose uses (e.g., search and rescue). When an applicant engages in more than one business, the Principal Business will be determined by an examination of facts by the Ministry related to the organization's various lines of business.

Please note that applicants whose Principal Business is building watercrafts ordinarily used for personal or recreational purposes are ineligible to apply to the OSGP.

### **2.1.2 Project Partners**

Eligible applicants are allowed to partner with organizations who, on their own, may not be eligible to apply directly to the OSGP (e.g., educational institutes, industry associations, etc.) to support the implementation and feasibility of their project.

When a consortium of parties partner on a project, the party who meets the eligibility criteria set out in section 2.1 will be considered the Lead Applicant.

Project Partners are entities that collaborate with the Lead Applicant to achieve the goals of the project by providing expertise, resources, and services necessary for the successful implementation of the project. Please note that third-party subcontractors hired by the Lead Applicant to perform work for the project **are not** considered Project Partners.



### **2.1.3 Lead Applicant and Project Partner Obligations and Responsibilities**

Only the Lead Applicant can submit an application to the OSGP and there can only be one Lead Applicant per application. As part of the application process, the Lead Applicant will be required to provide a letter of support from all Project Partners. Please refer to section 3.2 for additional information regarding requirements for the letter of support.

The Lead Applicant will be the primary contact for the Ministry on all matters related to the submitted application. If the application is selected, the Lead Applicant will become the Recipient, will execute the TPA with the Ministry, and will become accountable for managing and executing the development and delivery of the project, managing the funds provided by the Ministry, and satisfying the performance and reporting obligations established by the Ministry.

The Lead Applicant assumes all legal and financial responsibility over the project as the signatory to the TPA. The Lead Applicant will be obligated to adhere to all terms and conditions of the TPA including, but not limited to, asset retention requirements, indemnity and insurance requirements, and reporting requirements.

## **2.2 Project Eligibility**

Eligible projects must:

1. Align with a minimum of one of the following objectives:
  - Enhance operational efficiency, productivity or economic competitiveness within Ontario's Shipbuilding industry.
  - Unlock business growth or new business opportunities for Ontario's shipbuilders.

- Enhance long-term manufacturing or organizational capacity to support the capacity of Ontario's Shipbuilding industry.
2. Be undertaken in Ontario.
  3. Be completed within two years.

## 2.3 Eligible Expenditures

**All project expenditures eligible for reimbursement under the OSGP must be direct costs incurred by a successful applicant related to and necessary for the successful completion of approved projects.** Eligible project costs are cash outlays, net of all applicable harmonized sales tax, which must be documented through invoices, receipts or Recipient records acceptable to Ontario.

The following is an exhaustive list of Eligible Expenditures under the OSGP:

### 1. Workforce Training and Upskilling:

- a. Enrollment costs for employees for in-classroom training or upskilling provided by a [recognized, authorized, registered and/or licensed educational institution](#).
- b. Costs to provide on-site employer-led training or upskilling programs delivered in partnership with a recognized, authorized, registered and/or licensed educational institution.
- c. Costs to develop training materials and resources.
- d. Costs to purchase new equipment to facilitate employee training or upskilling.

### 2. Infrastructure:

- a. Costs associated with the purchase, construction, and installation of new shipyard infrastructure attributable to the project.

- b. Costs associated with the purchase, construction, and installation related to new facility modifications or upgrades associated with the project.

### **3. Machinery and Equipment:**

- a. Costs associated with purchasing and installing new or refurbished machinery and equipment associated with the project.
- b. Costs associated with purchasing and installing new digital equipment, software and licensing, and other technology to improve shipyard productivity and efficiency.

### **4. Project Management:**

- a. Specialized third-party expertise, consulting and professional services associated with the design and planning of the project (e.g., engineering services).
- b. Costs for municipal permits, inspections and other fees directly attributable to the project.

## **2.4 Ineligible Expenditures**

Costs not identified in section 2.3 are considered ineligible expenditures and will not be eligible for reimbursement under the OSGP.

Examples of ineligible expenditures include, but are not limited to:

- Purchase costs of land or buildings
- Lease or rental costs for buildings/facilities
- Costs associated with general facility maintenance services (e.g., landscaping, parking lots)
- Fees and costs attributable to ongoing shipyard operations (e.g., hydro)
- Food and beverages

- Employee/executive salaries and benefits, including one time salary/benefits costs associated with the Project
- Insurance costs and premiums
- Costs for annual general meetings, fundraising activities, tournaments, conferences, receptions, parties, festivals, or religious activities
- Travel and airfare costs
- Debt service costs, including interest charges on debts related to financing the Project
- Federal or provincial income taxes
- Costs associated with training for employees, including company owners and/or management, not directly related to the project
- Costs associated with developing an application to the OSGP
- Harmonized Sales Tax (HST)

The list of ineligible expenditures outlined above are for illustrative purposes and should not be considered an exhaustive list. Eligible applicants can contact the Ministry using the contact information outlined in section 1.1 to seek clarification regarding an organization's eligibility to apply to the OSGP and Eligible Expenditures.

## **2.5 Funding Limits**

The OSGP will reimburse successful applicants up to a maximum of fifty percent (50%) of total Eligible Expenditures.

Please note:

- The Ministry will only reimburse Eligible Expenditures that have been incurred and paid for by a successful applicant during the Eligible Expenditure Period and which meet all other terms and conditions within the TPA.

- The amount of Project Management Expenditures that can be claimed as eligible as part of a project's budget cannot exceed fifteen percent (15%) of a project's total Eligible Expenditures.
- The Ministry reserves the right to adjust the amount of funding a successful applicant may receive, which may differ from the funding requested.

## **2.6 Cost Sharing**

Funding Recipients must contribute a minimum of twenty-five percent (25%) of the total project cost. This contribution is mandatory and must be reflected in the application form.

## **2.7 Funding from Other Sources**

OSGP funding can be “stacked” with funding from other sources for project costs not covered by the OSGP, within the following parameters:

- Total funding from all provincial sources cannot exceed fifty percent (50%) of the total project cost.
- Applicants meet the minimum twenty-five percent (25%) cost sharing requirement outlined in section 2.6 above.

While stacking of funds is allowed under the OSGP, it may be prohibited under other government programs. When seeking funding from other sources of funding, it is the responsibility of applicants to qualify for each funding program independently and adhere to each respective program's rules, which may include rules regarding stacking of funds.

As part of the application process, applicants will be required to disclose any additional funding that they have sought or intend to seek. Recipients will be required to ensure that there is no overlap, duplication or double-dipping of any of the Eligible Expenditures

claimed under the OSGP with those of other government programs. In addition, Recipients will be required to disclose any new sources of funding throughout the life cycle of the approved project. Failure to meet any of the requirements above could result in the Ministry deeming an application ineligible and a reduction or recoupment of provincial funds.

## 3. Application Process

### 3.1 Transfer Payment Ontario

Applications must be submitted through Transfer Payment Ontario (TPON). TPON is the Province of Ontario's online application system for grant funding. Applicants must create a My Ontario Account with TPON to access the Application Form. Once an application has been started, it may be saved or downloaded at any point and returned to later.

Please visit [Transfer Payment Ontario](#) for information on how to set up an account.

If you need assistance with TPON, contact the TPON Client Care team from Monday to Friday 8:30 a.m. to 5:00 p.m. except for government and statutory holidays, at:

By Email: [TPONCC@ontario.ca](mailto:TPONCC@ontario.ca)

By Phone:

- Toll-free: 1-855-216-3090
- TTY/Teletypewriter: 416-325-3408
- Toll-free TTY: 1-800-268-7095

For 24/7 assistance:

- Ask [GOBot](#)
- Refer to the resources in the [“Get help”](#) section.

Please note that TPON requires Adobe Acrobat Reader to fill out the PDF application form.

### 3.2 Required Supporting Documentation

As part of the application process, applicants will be required to submit the following supporting documentation through TPON:

- Financial Statements from each of the previous three (3) fiscal years. Financial statements must either be audited financial statements in accordance with International and Canadian Audit Standards (IAS/CAS) (preferred) or review engagement. **Companies cannot submit internally prepared financial documents.** Financial statements must meet either International Financial Reporting Standards (IFRS) or Accounting Standards for Private Enterprises (ASPE) and must comprise of a balance sheet, income statement, and cashflow statement.
- A copy of articles of incorporation and/or letters patent.
- Tax Compliance Verification (TCV) Certificate. Learn how to generate a TCV number and access your Certificate, here: [Check your tax compliance status | ontario.ca](https://www.ontario.ca)
- Where the Lead Applicant is working with Project Partners, a letter of support is required from each Project Partner demonstrating the Project Partner's endorsement of, and commitment to supporting, the project. The letter of support must include brief information on the Project Partner's role in the project, include a statement of support for the project, and should be signed and dated by a senior management official with signing authority in the organization.

Please note that the supporting documentation outlined above will be required at the time of application submission in order to submit a completed application.

### **3.3 Application Requirements**

Through the OSGP application form, the Ministry will collect project information from applicants which will be used to inform the Ministry's evaluation and selection of applications.

The Ministry, at its discretion, may host virtual information sessions for potential applicants during the application period to address questions or provide clarification/updates.

The following sub-sections are intended to provide guidance to potential applicants on the type of information that will be required as part of the OSGP application form.

At the discretion of the Ministry, in addition to the herein identified information applicants must submit through the application process, applicants may be required to provide additional information related to their application. Failure to comply with any such requests for additional information from the applicant may constitute disqualification from further consideration under the OSGP.

#### **3.3.1 Project Information**

Through the application form, applicants must provide information related to the project which will include a detailed description, project scope, project objectives and expected outcomes.

Information on Project Partners, as applicable, must be disclosed by applicants. Please note that third-party subcontractors hired to perform work for the project are not considered Project Partners.



### **3.3.2 Project Work Plan**

Through the application form, applicants will be required to provide a detailed workplan for their respective project, including key information related to the project's stages, key milestones, and timelines, as applicable. Specifically, applicants must provide the following information for each project milestone within the work plan:

- **Milestone:** The name or title of the milestone. Note that a project milestone is a key deliverable or checkpoint in a project that helps track progress of the project's completion. Examples include, but are not limited to, project planning, design, construction, installation, and project completion.
- **Description:** Additional details about the milestone.
- **Start Date:** The date the milestone is expected to begin.
- **End Date:** The date the milestone is expected to be complete.

Should a project be selected for funding, please note that milestones submitted as part of the application will form the basis of the payment schedule in the TPA.

### **3.3.3 Risks and Mitigation**

Through the application form, applicants must provide information on potential risks associated with the project and realistic mitigation strategies to address these potential risks. Specifically, applicants must provide the following information for each identified risk:

- **Risk name/type:** Identify the risk type that the project risk best aligns with.
- **Risk Description:** A brief explanation of the risk.
- **Level of Risk Impact:** The level of impact (low/medium/high) the risk will have on the achievement of the project's results. Definitions of each level of risk are outlined in the table directly below.

- Mitigation Measure: Strategies that will be used to reduce/mitigate the impact of the risk.

Level of Risk Impact	Definition
High	Should the risk occur, it will have a major impact on achieving the project's desired results.
Medium	Should the risk occur, it will have limited impact on achieving the project's desired results.
Low	Should the risk occur, it will have a negligible/inconsequential impact on achieving the project's results.

### 3.3.4 Performance Measures

Through the application form, applicants must identify performance measures that they will use to monitor project progress and track whether their project is achieving its intended objectives. A performance measure is a quantifiable metric that provides objective evidence of the degree to which a performance result is occurring over time. Applicants will be asked to clearly outline **a minimum of three (3) performance measures that align with one or more of the following performance outcomes:**

- Increase in operational efficiency, productivity and/or economic competitiveness
- Increase in business growth or expanded market reach
- Increase in manufacturing capacity

For each performance measure, applicants must provide the following information:

- Outcome Statement: Identify the performance outcome that the performance measure best aligns with.
- Performance Measure: Name of performance measure
- Description of Measure: A brief description of metric

- Unit of Measure: Identify the unit of measure for the performance measure.
- Baseline: The initial set of data collected at the beginning of the project that serves as a reference point for comparison with data collected later on as the project progresses.
- Baseline Date: Specify the date associated with the baseline data for the performance measure.
- Target: Specific intended objectives to be achieved.
- Target Date: When the intended objectives will be achieved.
- Data Sources: Source of the data used for the performance measure.

A common approach to help with the development of good performance measures is to ensure they are “SMART,” meaning:

- Strategic/Specific: target a specific area for improvement;
- Measurable: quantify/show progress in some way;
- Attainable: within reach or achievable;
- Relevant/Realistic: appropriate and related to the program; and,
- Time-frame specific: specify when the result(s) can be achieved.

For illustrative purposes, examples of performance measures include, but may not be limited to, the following:

- Innovation and New Business Rate: Increase (%) of annual revenue generated from new products or services or from expansion into new markets.
- Output per Hour Worked: Increase productivity based on the amount of output produced per hour of labour within one year.
- Job Growth Rate: Increase (%) of the number of new jobs in the company at the start and end of the project.
- Customer Growth: Increase (%) of new customer growth as a result of the project.

Should a project be selected for funding, the performance measures included in an applicant’s application, as may be altered by the Ministry upon approval, will be used to

track progress toward achieving the outputs and/or outcomes of the project as part of the TPA requirements.

Please be advised that the Ministry reserves the ability to amend or introduce additional performance measures for an approved project prior to entering into the TPA with a Recipient.

### **3.3.5 Project Budget and Sources of Funding**

Through the application form, applicants must provide a budget for their project that includes a detailed breakdown of all Eligible Expenditures. The budget must be in accordance with the OSGP's parameters for eligible/ineligible expenditures, funding limits and funding from other sources.

The budget must be broken down according to the Ontario Government's fiscal year (April 1st to March 31st). Note that projects can only include Eligible Expenditures for up to 2 years (24 months), however these may occur over 3 fiscal years.

Applicants must also disclose all sources of project funding, including funding from Project Partners or funding support from other government funding programs, including municipal, provincial and/or federal programs, in accordance with the requirements identified at section 2.7 of this Guideline.

Additionally, as part of the application, applicants will be required to disclose any programs other than the OSGP that they have applied to and/or intend to apply for funding support for.

### **3.3.6 Project Impact and Benefits**

Through the application form, applicants must provide detailed and evidence-based information that clearly demonstrates how their respective project aligns with the objectives of the OSGP, as outlined in section 2.2.

### 3.3.7 Additional Considerations and Impacts

Applicants must also provide information on any additional benefits or impacts of the project, such as the creation of new jobs in the province and impacts on equity-deserving communities and/or populations (e.g., Indigenous peoples, youth, immigrants).

## 4. Evaluation Process

### 4.1 Selection Criteria

Eligible applications will be assessed according to the selection criteria outlined below and prioritized based on the strength of each application.

The Ministry will review applications received through TPON by the application deadline. Incomplete applications, applications received after the deadline and/or applications from ineligible applicants will not be evaluated.

The ministry has sole authority to decide which eligible projects are funded. Eligible applications will be evaluated against the following criteria:

<b>Application Criteria</b>	<b>Weighting</b>	<b>Description</b>
<b>Project Information</b>	10%	The application provides a clearly defined project scope, including a detailed project description and specific and measurable objectives and outcomes.

<b>Application Criteria</b>	<b>Weighting</b>	<b>Description</b>
		The application demonstrates the organization's capacity and experience to design, implement, and/or deliver the proposed project with qualified staff and past examples of similar projects having been successfully completed.
<b>Project Work Plan</b>	15%	<p>The application presents a comprehensive work plan that outlines logically sequenced milestones and activities that are aligned with the project scope and the OSGP's project eligibility requirements. The application includes detailed timelines for all key activities and clearly identifies the organization responsible for each task (where applicable).</p> <p>The plan demonstrates a high level of preparedness, including consideration of resource needs and dependencies for successful execution.</p>
<b>Risks and Mitigation</b>	15%	The application identifies various types of risks (e.g., financial, construction, implementation) that are clearly articulated and relevant to the project's scope. The application also includes mitigation measures linked to each risk that reflect proactive planning and a strong understanding of how to manage the identified risks.
<b>Performance Measures</b>	15%	The application identifies a minimum of three (3) performance measures that are relevant to the project's scope and that align with the objectives of the OSGP. The application clearly defines the outcome statement, performance measure name, description, and unit of measure. It also establishes baseline and target values

Application Criteria	Weighting	Description
		and identifies verifiable data sources for tracking performance.
<b>Project Budget</b>	20%	<p>The project budget provides a clear breakdown of project costs, including a detailed breakdown of Eligible Expenditures, in alignment with the OSGP's parameters for eligible/ineligible expenditures, funding limits and funding from other sources. Project costs are accurately calculated, relevant, and directly related to the project.</p> <p>The application demonstrates that credible methods were used for budget preparation (e.g., vendor quotes, market research, historical data, internal forecasting) and identifies why the budget represents good value for money.</p>
<b>Project Impact and Benefit</b>	20%	<p>The application clearly identifies current operational, manufacturing, or competitiveness challenges within Ontario's shipbuilding sector that the project aims to address and provides a compelling rationale for the project's need.</p> <p>The application clearly explains why government funding is critical to the project's success or timely implementation.</p> <p>The application clearly demonstrates alignment with one or more of the OSGP objectives, supported by a strong rationale.</p>

<b>Application Criteria</b>	<b>Weighting</b>	<b>Description</b>
<b>Additional Consideration and Impacts</b>	5%	As applicable, the application clearly demonstrates how the project will have a direct impact on equity-deserving communities and/or support job creation in Ontario.

## 4.2 Notification to Successful Applicants

Successful applicants for OSGP funding will be notified in writing by the Ministry.

As above, successful applicants will be required to enter into a TPA, which will include information and parameters of the funding agreement with the province, including the amount of OSGP funding the applicant has been approved for, any conditions placed upon the funding, as well as the date from which the successful applicant may begin to incur Eligible Expenditures.

Unsuccessful applicants who are not selected by the Ministry for OSGP funding can opt to receive brief feedback from the Ministry on their respective application. Unsuccessful applicants who wish to access this feedback can contact the Ministry's Ontario Marine Partnerships and Development Office at [marine@ontario.ca](mailto:marine@ontario.ca).

## 5. Funding Agreements

The TPA will set out the terms and conditions governing the project and the payment of the funds. Until the Ministry has explicitly approved a project, and there is an executed TPA with a successful applicant, there is no commitment or obligation on the part of the Ministry to make a financial contribution to any project.



The TPA will outline the understanding between the Province of Ontario and the Recipient regarding the OSGP project and set out the terms and conditions governing the project and the payment of the funds. Recipients will be required to meet all legal responsibilities contained in the TPA, including maintaining all necessary insurance, in order to receive OSGP funding.

Consistent with section 2.1.3, should an application from a consortium of partners be selected for funding, the Lead Applicant will be the funding Recipient and will be legally accountable to the Ministry for managing and executing the development and delivery of the project, managing the funds provided by the Ministry, and satisfying the performance and reporting obligations established by the Ministry through the TPA.

Recipients will be expected to:

- Be accountable to the Ministry for all funds and the performance of the project. This includes being responsible for meeting of all the requirements outlined in the TPA.
- Engage and manage relationships with any third-party service providers (if applicable).
- Lead coordination of all Project Partners and activities.
- Maintain records pertaining to the project to support Ministry-funded evaluation of the OSGP.
- Put in effect and maintain for the duration of their funded project, all necessary insurance for the initiative, including Commercial General Liability Insurance to an inclusive limit of not less than five million dollars (\$5,000,000) per occurrence, as well as any other applicable insurance relevant to project, as defined in the TPA. Recipients will be required to provide the ministry with a copy of their Certificate of Insurance.

## 6. Claims and Payments

### 6.1 Claims

To seek reimbursement, Recipients will be required to submit claims to the Ministry in accordance with the requirements and schedule set out in their respective TPA. Please note that the Ministry will only reimburse Recipients for Eligible Expenditures that have been incurred during the Eligible Expenditure Period and in accordance with the TPA. For enhanced clarity, this means that a Recipient must first incur and pay Eligible Expenditures before submitting a claim for reimbursement.

As part of the claims process, Recipients will be required to provide:

- A breakdown of the Eligible Expenditures being claimed for reimbursement.
- Supporting documentation (e.g., receipts, invoices, etc.) which demonstrate that the Eligible Expenditures being claimed have been incurred and paid.
- Brief description and update of the milestones that have been achieved which the Eligible Expenditures relate to.
- A signed attestation from the Lead Applicant certifying that all costs claimed have been incurred and paid and that all information submitted to Ontario has been submitted in good faith.
- If applicable, an update on project risks and mitigation strategies.
- Any additional supporting documentation to support the claim, as requested by the Ministry.

OSGP funding will be provided to Recipients once a claim has been received in a form acceptable to the Ministry.

Claims must be submitted to the Ministry in accordance with the schedule set out in the TPA. Recipients will be required to notify the Ministry at least three (3) weeks in advance of a scheduled claim if the project is not on track to meet milestones, as per the agreed upon conditions in the TPA. Failure to notify the Ministry of delays could

result in the holdback of funds, and/or cessation of funding if delays exceed the OSGP's final activities date.

## **6.2 Payments**

OSGP funding will be distributed to Recipients in accordance with the terms and conditions contained within the executed TPAs. Funding will be paid to Recipients in quarterly or semi-annual instalments according to the payment schedule that has been agreed to and set out in the TPA. The payment schedule will be based on a respective project's milestones, in alignment with the project work plan submitted as part of the application form. Payments may be subject to a funding holdback amount of 10%, which will be distributed to the Recipient following project completion and fulfillment of all obligations under the TPA, including reporting requirements.

The Ministry may adjust the amount of funds it provides to a Recipient based on the Ministry's assessment of information the Recipient provides in its reports and may recover funds if the Recipient breaches any term of the TPA.

# **7. Reporting Requirements**

## **7.1 Reporting Requirements**

Recipients will be required to adhere to the reporting schedule set out in their respective TPA. Failure to do so may result in funds being held back or recovered by the Ministry.

Recipients will be required to report to the Ministry on the progress achieved in carrying out the project and expenditures incurred in relation to their project, including evidence of payment for expenditures relating to the OSGP. This may include, but is not limited to, providing progress updates on a project's budget, milestones, timeline, and performance measures. Recipients must use the provided templates for these reports

and comply with the Ministry's report-back requirements and instructions on the frequency of reporting as set out in the TPA.

The Ministry will review each report submitted to ensure that it is completed to the Ministry's satisfaction and may contact the Recipient for any clarifications or further information as needed.

## **7.2 Final Report**

Following a project's completion, Recipients will be required to provide a final report outlining the achievement of the project's objectives and any other final reporting requirements outlined in the TPA.

# **8. Compliance with Federal and Provincial Laws**

Applicants must ensure their projects comply with all applicable municipal by-laws and the provincial and federal law including, without limitation, the *Accessibility for Ontarians with Disabilities Act, 2005*.

## **8.1 Attestation of Compliance with Labour and Environment laws**

Please be advised that if selected for funding, Recipients may be required to complete an attestation before funds are provided to confirm that (i) they will be in good standing with all applicable Ontario Environmental and Labour Laws at the time of entering into a TPA and (ii) that they will take all necessary steps prior to entering into a TPA in order

to be in full compliance with those Environmental and Labour Laws at the time of entering into the TPA.

For the purposes of this Attestation, “Environmental Laws” means all statutes and associated regulations administered by the Ontario Ministry of the Environment, Conservation and Parks, and “good standing” with environment laws means that the organization has not been convicted by a court within the last year and has no ongoing appeals.

For the purposes of this Attestation, “Labour Laws” means all statutes and associated regulations administered by the Ontario Ministry of Labour, Immigration, Training and Skills Development, and “good standing” in respect of labour laws means that the entity has not been convicted of an offence under the Occupational Health and Safety Act, R.S.O. 1990, c. O.1, the Workplace Safety and Insurance Act, 1997 and the Employment Standards Act, S.O. 2000, c. 41 in a proceeding commenced under Part III of the Provincial Offences Act, R.S.O. 1990, c. P. 33, during the preceding year.

## **9. Confidentiality**

The Ministry is subject to the *Freedom of Information and Protection of Privacy Act* (“FIPPA”), a provincial statute which regulates the collection, use and disclosure of personal information and access to information in the custody and control of governmental institutions. Applicants are advised that information collected pursuant to the OGSP from applicants as well as subsequent TPAs entered into by the Ministry and Recipients may be subject to FIPPA and could be made available to the public in accordance with law.

## 10. Glossary of Defined Terms

**“Eligible Expenditures”** are project costs eligible for reimbursement under the OSGP, as defined in section 2.3.

**“Eligible Expenditure Period”** is the period of time defined in the TPA for which a Recipient can incur Eligible Expenditures for their project.

**“Guideline”** is the set of instructions, parameters and principles included in this document to support the application to, and administration of, the OSGP.

**“Lead Applicant”** refers to the primary organization responsible for submitting an application to the OSGP when applying as part of a consortium of parties. This entity takes the lead in coordinating the application process, ensuring all necessary information and documentation are provided, and serves as the main point of contact for the Ministry. If selected for funding, the Lead Applicant becomes accountable to the Ministry for the overall management and execution of the project, including satisfying the performance and reporting obligations established by the Ministry. Refer to section 2.1.3 for full information.

**“Ministry”** means the Ministry of Transportation.

**“OSGP”** means the Ontario Shipbuilding Grant Program.

**“Project Partners”** refers to an entity or organization that directly collaborates with the Lead Applicant to develop, manage and/or implement the project. Refer to section 2.1.2 for full information.

**“Principal Business”** means that more than fifty percent (50%) of an organization’s annual business revenue is generated through constructing, refitting, retrofitting, repairing or maintaining marine vessels for commercial, research, passenger transportation or other special purpose uses. Refer to section 2.1.1 for full information.

**“Project Management Expenditures”** are project costs related to the administration and management of the project, as defined in section 2.3.

**“Recipient”** means an applicant the Ministry has selected as successful for funding under the OSGP.

**“Shipbuilding”** refers to the construction, refit, retrofit, repair, and/or maintenance of marine vessels for commercial, research, passenger transportation or other special purpose uses (e.g., search and rescue, national defense).

**“TPA”** means Transfer Payment Agreement.