



# REQUEST FOR PROPOSAL

FOR

*Group Insurance Benefits Service Provider*

Date issued: *12 August 2013*

Solicitation Closes: *20 September 2013*

Solicitation File # : 201302826

Originating Department: *Total  
Compensation*

Contracting Authority:  
*Canada Mortgage and Housing  
Corporation (CMHC)*

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Canada 



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## **1 SECTION 1 GENERAL INFORMATION**

### **1.1 Overview of Section 1**

The purpose of this section is to provide general information about Canada Mortgage and Housing Corporation (CMHC) and this Request for Proposal (RFP). All capitalized terms in this document have the meaning ascribed to them within the RFP document, the draft agreement, or in certain cases, are terms that are in commonly usage at CMHC.

### **1.2 Introduction and Scope**

CMHC wishes to enter into a contract with one vendor(s) (hereafter referred to as the “proponent(s)”) for the purpose of providing insurance coverage for CMHC’s group insurance benefits plans. The term of the contract will be for five (5) years.

### **CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT**

**Upon signature of a Confidentiality and Non-disclosure Agreement, Respondents to this RFP will be provided with the RFP appendices pertaining to the non-disclosure. Sign and return all Confidentiality and Non-disclosure Agreements to the contact person named in the RFP in Section 2.4.**

More detailed specifications can be found in *Section 3 Statement of Work*.

### **1.3 CMHC Background**

CMHC is the Government of Canada’s National Housing Agency, with a mandate to help Canadians gain access to a wide choice of quality, affordable homes. It is a Crown corporation, with a Board of Directors, reporting to Parliament through the Minister of Employment and Social Development, and Minister responsible for Canada Mortgage and Housing Corporation, the Honourable Jason Kenney.

CMHC has approximately 1,950 employees located at its National Office in Ottawa, and at five Business Centres throughout Canada: Atlantic; Quebec; Ontario; British Columbia; and Prairie & Territories. Please refer to *Schedule 12: Census Data* for further employee distribution data.

### **1.4 Purpose of Request for Proposal**

CMHC uses an RFP to describe its requirements, ask suppliers for their proposed solutions, describe the criteria which will be used in evaluating proposals and selecting a lead proponent, and outline the terms and conditions under which the successful proponent will supply goods and/or services. In an RFP process, proposals and proponents are evaluated in terms of ability to satisfy the stated requirements, while providing best value to CMHC with respect to its requirements. By submitting a proposal, proponents agree to be bound by the terms of this RFP, and the terms of the proposal that they submit.

CMHC’s contracting and procurement activities are decentralized among CMHC’s National Office in Ottawa and the five Business Centres throughout Canada.

The policy pertaining to the selection of suppliers is based on the principle that all suppliers must be treated fairly and equally. Suppliers are defined as an individual or firm that could provide, or has provided, goods or services or construction under contract.

CMHC utilizes the Supplier Information (SI) database, maintained by **Business Access Canada** as the Official CMHC source list. All proponents **must** be registered with **Business Access Canada** prior to submitting a proposal. The Procurement Business Number (PBN) provided by **Business Access Canada** must be included with your proposal. If you are not registered, and you wish to do so, you may access **Business Access Canada** (<https://buyandsell.gc.ca/>) or you may call their Information Line at: 1-800-811-1148. Present Suppliers not registered with Business Access Canada are required to self-register on the SI via the Business Access Canada Web site.

### 1.5 Schedule of Events

The following schedule summarizes significant target dates for the RFP process. The dates are estimates only and may be changed by CMHC at its sole discretion.

Date	Activities
12 August 2013	Request for Proposal issued
13 September 2013	Inquiry deadline
20 September 2013	Submission deadline
23 Sept - 25 Oct 2013	Evaluation and selection of short-listed proponent(s)
04-08 November 2013	Conduct interviews with short-listed proponent(s)
12 Nov–06 Dec 2013	Evaluation and selection of lead proponent(s)
09 December 2013	Announcement of successful proponent
February 2014	Debriefing to unsuccessful proponents, as requested
01 July 2014	Go live date

### 1.6 Mandatory Requirements

Throughout this RFP, certain requirements are identified as mandatory. A mandatory requirement is a minimum standard that a proposal must meet in order to be considered for further evaluation. Mandatory is defined as requiring substantial compliance as assessed by CMHC in its sole and absolute discretion.

Mandatory requirements are identified in:

- Section 2 Submission Instructions
- Section 4 Proposal Requirements
- Section 6 Draft Services Agreement

**Caution:** Proposals which fail, in the reasonable discretion of CMHC, to meet any mandatory requirement will be eliminated from further consideration in the evaluation process. Notwithstanding the foregoing, CMHC reserves the right to waive or revise any mandatory requirements during the RFP process if a waiver or revision is necessary to meet the CMHC's intent in issuing the RFP, or to ensure that CMHC receives best value from the process. In the event that CMHC elects to waive a mandatory requirement, all proponents will be advised of the change in requirements and provided with an opportunity to revise their proposals as noted in section 2.4.

### **1.7 Procurement Policy Re: The Environment**

CMHC fully supports the principle of sustainable development. Economic development and the preservation of the environment are each given consideration in the RFP process to help ensure that the actions of one generation do not compromise the ability of future generations to have an equal quality of life.

### **1.8 Proponent Feedback**

CMHC aims to continuously improve its bid documents and procedures. CMHC welcomes input regarding proponent experience in responding to its RFPs, whether as a compliment or suggestion for future RFPs.

Proponents wishing to provide feedback may submit comments labelled as *Proponent Feedback RFP #201302826* to the name and address provided in Section 2.4.

As CMHC does not wish to be perceived as influenced by such feedback in the award decision, proponents are requested to submit their feedback after the contract award has been announced.

Any proponent who notes a material flaw in the RFP that could prevent the process from being conducted in a fair and objective manner, or that could prevent CMHC from receiving best value from the process, is asked to report the flaw to CMHC as soon as possible, using the inquiry process specified in Section 2.4.

### **1.9 Direct Deposit and Income Tax Reporting Requirement**

All payments and transfers of funds under any resulting contract will be made by means of EFT direct deposit, unless an exception is requested in the proposal and is approved prior to execution of a contract.

As a federal Crown Corporation, CMHC is obliged under the *Income Tax Act* and its associated regulations to report payments to suppliers of goods and/or services by using a T1204 supplementary slip. Proponents are therefore required to provide the necessary information, including the proponent's social insurance number and/or corporate identification number, with their proposals in order to allow CMHC to complete the T1204 supplementary slip. The lead proponent will be required to complete and sign a *Supplier - Direct Deposit and Tax Information Form (CMHC/SCHL 3085)* prior to the commencement of the term of any resulting agreement.

Throughout the term, the Contractor will be required to ensure that the information provided remains accurate and up to date. The Contractor assumes full responsibility for and indemnifies CMHC from and against any errors in payments or tax reporting that arise because the information supplied is inaccurate or out of date.

## **2 SECTION 2 SUBMISSION INSTRUCTIONS**

### **2.1 Overview of Section 2**

The purpose of Section 2 is to inform the proponent about CMHC's procedures and rules pertaining to this RFP process.

Proponents are advised that CMHC has provided as Appendix C a Mandatory Compliance Checklist for your benefit to complete prior to submission. This is to assist you in ensuring that you comply with all Mandatory criteria as non-compliance with a mandatory requirement will result in the proposal being eliminated from further consideration.

### **2.2 Certificate of Submission**

**MANDATORY**

The Certificate of Submission (Appendix A) summarizes some of the mandatory requirements set out in the RFP. It is a mandatory requirement that a proposal include the *Certificate of Submission* (or an accurate reproduction) signed by the proponent. Refer to Section 1.6 Mandatory Requirements.

Should a proponent not include the signed Certificate of Submission the proponent will be notified by CMHC and given 48 hours in which to meet this requirement.

### **2.3 Delivery Instructions and Deadline**

Timely and correct delivery of proposals to the exact specified proposal delivery address is the sole responsibility of the proponent. All risks and consequences of incorrect delivery of proposals are the responsibility of the proponent. CMHC will not assume those risks or responsibilities under any circumstances. Proposals may be submitted in English or in French.

#### **Submission Deadline**

**MANDATORY**

Your proposal must be **received** at the exact location as specified below on or before the submission deadline set as:

***2:00 p.m. local Ottawa time, on 20 September 2013.***



## Delivery Instructions

Number of copies	One (1) signed original and eight (8) copies of the complete proposal are to be submitted.
Packaging Instructions	Proposals, including all supporting documentation, are to be sealed. The <u>outermost</u> packaging of the proposal, including any courier or delivery packaging, must indicate all of the following information and be addressed exactly as follows:  <b>C1 Guard Station                  Canada Mortgage and Housing Corporation                  1st Floor, “C” Building                  700 Montreal Road                  Ottawa, Ontario K1A 0P7                  PROPOSAL CALL: Group Insurance Benefits Service                  Provider: RFP file number 201302826</b>
Address for Delivery	C1 Guard Station Canada Mortgage and Housing Corporation 1st Floor, “C” Building 700 Montreal Road Ottawa, Ontario K1A 0P7

Proposals arriving late will be automatically rejected and returned, unopened, to the proponent.

### 2.4 Inquiries

All questions regarding this RFP must be sent by e-mail or facsimile to the following:

*Patricia Howse, Procurement Advisor*  
*Fax: 613-748-2998*  
*Email: phowse@cmhc-schl.gc.ca*

Information given verbally by any person within CMHC shall not be binding upon CMHC. Proponents must have written confirmation from CMHC for any changes, alterations, etc., concerning this RFP. CMHC cannot guarantee a reply to inquiries received less than **two calendar days** prior to the closing date.

All written questions submitted which in the opinion of CMHC affect all proponents, will be answered by CMHC in writing and distributed to all proponents by e-mail or GETS. All identification related to the inquiry will be removed in the response. Any questions of a proprietary nature must be clearly marked. CMHC will determine, at its sole discretion, whether it will respond to the question.

In the event that it becomes necessary to revise any part of the RFP as a result of any inquiry or for any other reason, an addendum to this RFP will be provided to each proponent to whom CMHC has issued this RFP by e-mail or GETS.

## **2.5 Communication**

During proposal evaluations, CMHC reserves the right to contact or meet with any individual proponent in order to obtain clarification of its submission or to gain insight into the quality and scope of relevant services. A proponent will not be allowed to add, change or delete any information during this process. CMHC is in no way obliged to meet with any or all proponents for this purpose.

## **2.6 Proponent Contact**

The proponent shall name a person in their proposal to act as a primary contact for CMHC during the evaluation period. A secondary contact should also be provided for backup purposes.

## **2.7 Offering Period**

**MANDATORY**

All responses must provide that the terms of the response including the pricing proposal, shall remain valid and binding on the proponent until 01 July 2014.

## **2.8 Changes to Proposals**

Changes to a proposal are permitted provided they are received as an addendum to, or clarification of, a previously submitted proposal, or as a complete new proposal to cancel and supersede the earlier proposal. The addendum, clarification, or new proposal must be submitted as per the delivery instructions outlined in Section 2.3, be clearly marked “**REVISION**”, and be received no later than the submission deadline. In addition, the revised bid must include a description of the degree to which the contents are in substitution for the earlier proposal.

## **2.9 Multiple Proposals**

Proponents interested in submitting more than one proposal for consideration may do so, providing that each proposal independently complies with the instructions, terms and conditions of this RFP.

## **2.10 Acceptable Alternative**

An alternative to any portion of a proposal may be submitted and must be in a separate addendum to the proposal.

An acceptable alternative is one which CMHC considers satisfactory in meeting a mandatory requirement. CMHC at its sole discretion will determine if a proposed alternative meets the intent of the original mandatory requirement.

## 2.11 No Liability

While CMHC has made considerable efforts to ensure that the information in this RFP is accurate and complete, it is possible that errors may exist. The information is not guaranteed or warranted to be accurate by CMHC, nor is it necessarily comprehensive or exhaustive. CMHC will have no liability of any kind to proponents for losses or damages arising from any errors that may be found in the RFP, regardless of how the errors are caused. Proponents remain obliged to make their own investigation of relevant information and to form their own opinions and conclusions in respect of the matters addressed in this RFP.

By submitting a proposal, proponents waive any claims or causes of action that they may have against CMHC or its representatives as a result of the conduct of this RFP process or any resulting contract award, except insofar as they have proof of wilful misconduct on the part of CMHC or its representatives. Proponents agree that they will not bring a court action or institute any other proceedings against CMHC for damages arising from the conduct of this RFP or any resulting contract award. This section is intended to be a complete waiver of the proponent's right to claim damages subject to the limited exception noted above.

## 2.12 Verification of Proposals

The proposal authorizes CMHC to conduct such additional investigation as it deems appropriate to verify the contents of the proponent's response.

## 2.13 Ownership of Responses

All responses and related materials become the property of CMHC and will not be returned. CMHC will not reimburse the proponent for any work related to, or materials supplied in the preparation of their proposal.

The proponent warrants that the proponent possesses all rights necessary to satisfy this requirement. The proponent hereby certifies that it has waived, or has obtained a waiver in favour of CMHC, all moral rights in the proposal and related materials, and hereby assigns all rights in the material, as provided for in the law of copyright. The proponent agrees to execute any document requested by CMHC acknowledging CMHC's ownership of the material and the waiver of moral rights therein.

All information regarding the terms and conditions, financial and/or technical aspects of the proponent's proposal, which, in their opinion, are of a proprietary or confidential nature, must be clearly marked "**PROPRIETARY**" or "**CONFIDENTIAL**" at **each item** or at the **top of each page**. Proponents' documents and information so marked will be treated accordingly by CMHC. Notwithstanding the foregoing, proponents are advised that as a Crown corporation, CMHC is subject to the federal legislation with respect to access to information and privacy. Information submitted by third parties will be protected as permitted under that legislation, but may be required to be disclosed in specific circumstances.

CMHC will take steps to protect proponents' documents and information so marked from disclosure. Notwithstanding the foregoing, CMHC shall have no liability of any kind to proponents based on the inadvertent or unintentional disclosure of proprietary information.

Proponents are further advised that as a Crown corporation, CMHC is subject to the federal legislation with respect to access to information and privacy. In certain specific circumstances, information submitted to CMHC by third parties may be required to be disclosed pursuant to federal legislation. In such cases, to the extent reasonably possible, CMHC will make efforts to advise the proponent of the required disclosure prior to releasing the information.

#### **2.14 Proprietary Information**

Information contained in this RFP is to be considered "Proprietary Information" and the proponent is not to disclose this information to any party other than the proponent's employees or agents participating in the response to this RFP.

#### **2.15 Corporation Identification**

The proponent agrees not to make any use whatsoever of CMHC's name, logo or other official marks without the express written consent of CMHC.

#### **2.16 Declaration re: Gratuities**

In submitting its proposal, the proponent certifies that no representative for the proponent has offered or given a gratuity (e.g. an entertainment or gift) to any CMHC employee, Board member or Governor-in-Council appointee; and intended, by the gratuity, to obtain a contract or favourable treatment under a contract.

#### **2.17 Conflict of Interest**

The proponent and its principals, employees and agents shall avoid any real, potential or apparent conflict of interest during the RFP process, and upon becoming aware of such a real, potential or apparent conflict, shall immediately declare the conflict to CMHC. The proponent shall then, upon direction of CMHC, take steps to eliminate any conflict, potential conflict or perception that a conflict of interest exists.

In the event that a conflict of interest, real or potential, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately eliminate the proponent from consideration under the RFP or to terminate the resulting agreement. Upon such elimination or termination, CMHC shall have no obligation of any nature or kind to the proponent.

#### **2.18 Declaration with respect to Bid Rigging and Collusion**

In submitting its proposal, the proponent certifies that:

- (a) prices as submitted in its proposal have been arrived at independently from those of any other proponent;

- (b) the prices as submitted have not been knowingly disclosed by the proponent, and will not knowingly be disclosed by the proponent prior to award, directly or indirectly, to any other proponent or competitor; and
- (c) no attempt has been made, nor will be made, to induce any other person to submit, or not to submit, a proposal, for the purpose of restricting competition.

## **2.19 Security Clearance**

CMHC requires employees of the selected proponent to be security cleared in order to permit them access to CMHC premises when and if required. This process normally takes approximately 5 working days, but may take longer, depending on the circumstances. If they are not security cleared, the proponent or its employees will require an escort by a CMHC employee if required to access CMHC premises and will not be granted access to CMHC information and systems.

## **2.20 Shortlist**

The evaluation procedure will include the shortlisting of proponents as detailed in *Section 5.4 Evaluation Methodology*. The shortlisted proponents will be asked to prepare a presentation, supply demonstration equipment or provide additional information prior to the final selection which will be made based on the criteria set out in the RFP. CMHC reserves the right to supply more information to those proponents who are shortlisted.

## **2.21 Joint Venture Responses**

Joint venture proposals should adequately represent and communicate the proposed participation and responsibilities of each company in the joint venture, and must provide a description of the proposed joint venture business arrangement which would be entered into by all parties upon receipt of a contract. The description must list the companies involved, indicate how long the business arrangement has been in existence, indicate the service(s) each respective party would be providing and describe the proposed participation and responsibility of each party.

The proponent shall designate one of the partners as the contact person through whom any communication between the proponent and CMHC will be channelled during the RFP process.

Joint venture responses must be accompanied by a signed Certification of Submission from each participating company. Refer to Section 2.2.

## **2.22 Intellectual Property Rights**

All material, reports and other work product produced under this RFP will be the sole property of CMHC. The proponent warrants that the proponent is the only person who has or will have moral rights in the material created by the proponent in relation to this RFP and the proponent hereby waives in favour of CMHC all moral rights in the material, as provided for in the law of copyright.

## **2.23 Non-Disclosure of CMHC Information**

Under this section, “CMHC Information” refers to any and all information of a proprietary or confidential nature which is managed, accessed, collected, used, disclosed, retained, received, created or disposed of in relation to this RFP process, however obtained. Without limiting the generality of the foregoing, CMHC Information includes data held in any type of electronic format and information provided directly, indirectly or through third parties to the proponent, any subcontractor, reseller, agent or any other person engaged by the proponent.

The proponent understands and agrees to treat all CMHC Information as proprietary, confidential and sensitive unless otherwise specifically agreed to in writing by CMHC. The proponent shall restrict access to CMHC Information to those persons who have a need to know this information in order to respond to this RFP or perform subsequent work related to the RFP.

The proponent acknowledges and understands that all CMHC Information is subject to Canadian laws on privacy and access to information under which CMHC is bound and that CMHC considers CMHC information to be under its custody and control at all times.

The proponent shall ensure that CMHC Information shall remain in Canada and expressly agrees to segregate CMHC Information (whether in electronic format or in hard copy) from any other information in a database or repository physically independent from all other databases or repositories. Without limiting the generality of the foregoing, the proponent shall not and shall ensure that any subcontractor, reseller, agent or any other person engaged to perform work on behalf of the proponent does not release, share or otherwise divulge CMHC Information to any other person including subsidiaries, branch offices, partners of the proponent or subcontractors without the prior written consent of CMHC.

### **3 SECTION 3 STATEMENT OF WORK**

#### **3.1 Overview of Section 3**

This section of the RFP is intended to provide the proponent with the information necessary to develop a responsive proposal. The Statement of Work is a complete description of the tasks to be done, results to be achieved and/or the goods to be supplied.

#### **3.2 Mandatory Requirements**

A mandatory requirement is a minimum standard that a proposal must meet in order to be considered for further evaluation.

Any mandatory requirements associated with the Statement of Work are clearly identified in Section 4 Proposal Requirements.

The Mandatory Compliance Checklist is located at Appendix C.

#### **3.3 Statement of Work**

##### **3.3.1 Background**

An important component of CMHC's total compensation package is the provision of a competitive benefits plan that supports CMHC's efforts in attracting, retaining and motivating a highly qualified workforce.

CMHC is interested in exploring service options from proponents that demonstrate excellence in providing insurance and coverage necessary for the provision of group insurance plans for eligible employees and retirees, and their families.

On an annual basis, CMHC's group insurance benefits plans provides employees with the ability to select from various plans for each of the life insurance, critical illness, income protection (long term disability), health insurance and dental insurance benefits. The successful proponent is expected to closely align with CMHC's group insurance benefits framework, business practices, corporate values ([http://www.cmhc-schl.gc.ca/en/corp/about/whwedo/miva/miva\\_002.cfm#CP\\_JUMP\\_33142](http://www.cmhc-schl.gc.ca/en/corp/about/whwedo/miva/miva_002.cfm#CP_JUMP_33142)) and culture. Further details of CMHC's group insurance benefits plans are available in the following schedules:

- Schedule 1: Statement of Work Details
- Schedule 2: Benefits at a Glance
- Schedule 3: Plan Summary Details – Employee
- Schedule 4: Plan Summary Details – Retiree
- Schedule 5: Benefits Handbook for CMHC Employees
- Schedule 6: Benefits Handbook for CMHC Retirees
- Schedule 7: Premium Rate History
- Schedule 8: Financial Experience – Life and LTD

- Schedule 9: Financial Experience – Health and Dental
- Schedule 10: Waiver of Premium Reserves
- Schedule 11: Disabled Life Reserves
- Schedule 12: Census Data

CMHC also makes available to its employees a diverse package of ancillary benefits such as, but not limited to, Short Term Disability coverage, alternate work schedules, Wellness Program, Employee Assistance Program and other such perquisites.

As stated in CMHC's statement of values, CMHC strives to achieve business excellence. We exercise the highest standards of competence, trustworthiness and prudence in conducting our business relationships and in managing the financial, physical and human resources entrusted to our care. We encourage learning, innovation and personal initiative to continuously improve the way we do business and achieve the best possible results for the Canadian public.

CMHC is a high-performing organization that strives for excellence in all its endeavours. CMHC therefore expects the same high standards and commitment to excellence from all its third party partners. The successful provider will demonstrate a thorough understanding of CMHC's work environment, expected standards and requirements by ensuring that all of the following conditions are fulfilled consistently on an ongoing basis:

- CMHC is transacting with seasoned and qualified staff, where staff turnover is minimal.
- Staff are accountable for their actions and mutually agreed to timelines are followed through and met.
- Proactive ideas or solutions are provided, where both parties look for opportunities to enhance processes instead of being purely driven by rigid processes.
- Attention to detail, with an emphasis on quality control, especially in written communications with employees in their official language, is clearly evident and carried out at all times.

### **3.3.2 Mandatory Requirements**

To qualify as an eligible proponent, proponents must meet the mandatory requirements as identified in *Appendix D: Mandatory Requirements*. The proponent must use Appendix D as the response grid.

### **3.3.3 Rated Requirements**

Refer to *Appendix E: Rated Requirements* for the list of rated requirements. The proponent must use Appendix E as the response grid.

### **3.3.4 Informational Requirements**

Refer to *Appendix F: Informational Requirements* for the list of informational requirements.



## 4 SECTION 4 PROPOSAL REQUIREMENTS

### 4.1 Overview of Section 4

Elaborate or unnecessarily voluminous proposals are not desired. Proponents are encouraged to take care in completely answering questions and proposal requirements and to avoid submitting extraneous materials that do not show how the proponent intends to meet requirements.

**Proposal responses are to be organized and submitted in accordance with the instructions in this section and should be organized as identified in the table below.** Requirements for each “Response Item” are identified in the “Response Item Instructions” column in the following table.

Tab	Response Item	Response Item Instructions	
1.	Covering Letter	Section 4.3	Covering Letter
2.	Table of Contents	Section 4.4	Table of Contents
3.	Executive Summary	Section 4.5	Executive Summary
4.	Appendix A (completed and signed)	Section 7.1	Certificate of Submission
5.	Appendix D (completed)	Section 4.6	Response to Statement of Work
6.	Appendix E (completed)		
7.	Appendix G (completed)	Section 4.7	Implementation Plan
8.	Credit check permission	Section 4.8.1	Credit Check
9.	Appendix H (completed)	Section 4.9	Pricing Proposal
10.	Appendix J (completed)	Section 4.9	Pricing Proposal
11.	Appendix K (completed)	Section 4.9	Pricing Proposal
12.	Appendix L (completed)	Section 4.9	Pricing Proposal
13.	Appendix M (completed)	Section 4.9	Pricing Proposal
14.	Appendix N (completed)	Section 4.9	Pricing Proposal
15.	Appendix O (completed)	Section 4.9	Pricing Proposal
TBD	Informational Requirements	Section 4.6	Response to Statement of Work

All additional documents that form part of the submission, including the responses to *Appendix F: Informational Requirements*, can be organized in subsequent tabs as the Proponent deems appropriate and should be clearly identified in the table of contents.

Requirements for each Response Item are detailed below.

### 4.2 Mandatory Proposal Requirements

Certain requirements in Section 4 are identified as mandatory. See Section 1.6 Mandatory Requirements.

### 4.3 Covering Letter

A covering letter on the proponent's letterhead shall be submitted and include the following:

- (a) A description of the company or joint venture/consortium.
- (b) The names of the individuals who are the principals of the proponent.
- (c) The primary contact person with respect to this RFP: the individual's name, address, contact numbers by phone and fax, and contact e-mail address, if available.

### 4.4 Table of Contents

The proponent shall include a table of contents **using the response item headings and numbering system identified in Section 4.1** of the RFP. The response should be paginated for easy referencing by the evaluation committee.

### 4.5 Executive Summary

The proponent's proposal should include an executive summary highlighting the following:

- (a) A summary of the proponent's proposal, including key features of the proposal, features that make the proposal advantageous for CMHC, innovative approaches to meeting the requirement and cost-saving opportunities.
- (b) A brief statement of the proponent's qualifications to meet CMHC's stated requirements.

### 4.6 Response to Statement of Work

**MANDATORY**

In this section, the proponent should provide detailed information relative to the specifications in *Section 3: Statement of Work*. When responding, the proponent must:

- complete *Appendix D: Mandatory Requirements Response Grid*
- complete *Appendix E: Rated Requirements Response Grid*
- provide responses to the list of questions in *Appendix F: Informational Requirements* by creating separate appendices for each of the responses and clearly identify them in the Table of Contents.

When responding, the proponent must identify if the service/process/requirement is **not** currently being offered by the proponent to other clients.

### 4.7 Implementation Plan

**MANDATORY**

The proponent shall propose an implementation plan, should it be the successful proponent. When responding, the proponent must complete *Appendix G: Implementation Plan Response Grid*.

## **4.8 Financial Information**

### **4.8.1 Credit Check**

Proponents must provide a statement in Tab 8 (per Section 4.1) of their proposal giving written permission for CMHC to perform a credit check as required.

### **4.8.2 Financial Capacity**

CMHC reserves the right to conduct an assessment of the financial capacity of the Lead Proponent(s). Should a proponent be selected as a lead proponent following the RFP evaluation process, CMHC will request the necessary financial documentation to confirm the financial capacity of the proponent. At that time, the Lead Proponent(s) must provide to CMHC the following information within 72 hours of CMHC's request to permit an analysis of the financial capacity of the lead proponent(s):

### **Partnerships, Corporations, Joint Ventures and Consortiums**

Proponent must provide a complete set of signed, detailed, audited financial statements for each of the last three (3) years of your firm. The proponent also agrees to provide any other relevant financial information that CMHC may subsequently request. The auditor's report must be signed by an appropriate officer of the audit firm. In the case that your financial statements are not audited, CMHC will only accept them if they are accompanied by a signed review engagement report for each year. A complete set of financial statements consists of all the following items:

1. Auditor's Report (or Review Engagement Report),
2. Balance Sheet,
3. Income Statement,
4. Cash Flow Statement,
5. The Notes to the Financial Statements, and

In the case of a joint venture or consortium, each and all members of the joint venture or consortium must provide the information required as indicated above for partnerships or corporations. For partnerships of individuals (as opposed to partnerships of corporations), each individual must provide written permission for CMHC to perform a credit check on them as individuals.

Note: Failure to comply with the Financial Information submission requirements as indicated above and within this section, will result in disqualification of the Lead Proponent(s) at which time no further consideration will be provided to the respective submission(s).

### **Sole Proprietorships**

Proponents that are organized as sole proprietorships must provide a statement contained within their proposal giving written permission for CMHC to perform a credit check on them as an individual as required. Where financial statements are available, they should accompany the foregoing statement.

## **4.9 Pricing Proposal**

## **MANDATORY**

The proponent must provide a response outlining the pricing of its proposed solution in a detailed manner. When responding, the proponent must complete the following response grids:

- Section 7.8: Appendix H: Pricing Proposal
- Section 7.10: Appendix J: Life and LTD Insurance Premium Rates
- Section 7.11: Appendix K: Health and Dental Insurance Premium Rates
- Section 7.12: Appendix L: Optional Life and Optional Critical Illness Insurance Premium Rates
- Section 7.13: Appendix M: Basic Life and LTD Plan 1 Retention
- Section 7.14: Appendix N: Optional Life and LTD Plans 2 and 3 Retention
- Section 7.15: Appendix O: Health and Dental Retention

The pricing proposal should also include any additional costs or identify the type of costs that could arise due to changes CMHC may make to requirements in Appendices D, E and F. Any additional costs that may be charged that are not specifically identified in the Appendices must be clearly stated by the proponent.

All prices and amounts of money in the proposal are to be quoted in Canadian dollars and be exclusive of the Goods and Services Tax (GST), Harmonized Sales Tax (HST), and Provincial Sales Tax (PST), as applicable, unless otherwise indicated.

The GST, HST or PST, whichever is applicable, shall be extra to the price quoted and will be paid by CMHC.

## 5 SECTION 5 EVALUATION AND SELECTION

### 5.1 Overview of Section 5

Section 5 describes the process CMHC will use to evaluate proposals, select a lead proponent and negotiate an agreement.

**CMHC will base its evaluation on the principle of best value. The lowest cost will not necessarily be accepted. CMHC reserves the right to accept any proposal in whole or in part, to reject all proposals or to terminate the evaluation process and re-issue the RFP at a later date.**

Upon notice to all proponents, CMHC reserves the right to alter the stated requirements based on operational needs and to accept an alternate proposal included in any proponent's response.

CMHC will conduct the RFP process in a visibly fair manner and will treat all proponents equitably. To this end, it has established objective standards and evaluation criteria which will be applied uniformly to all proponents. By submitting a proposal, proponents accept the methodology set out in the RFP. No proponent shall have any cause of action against CMHC arising out of its elimination of one or more proposals from consideration, or the methods by which proposals are assessed.

### 5.2 Limitation of Damages

Proponents are not entitled to compensation for the costs of preparing their proposal. The proponent, by submitting a proposal, agrees that under no circumstances will it claim damages arising from this RFP process in excess of an amount equivalent to the reasonable costs incurred by the proponent in preparing its proposal and the proponent, by submitting a proposal, waives any claim for loss of profits or other indirect or special damages if no agreement is made with the proponent.

### 5.3 Evaluation Table

The Evaluation Table as provided in *Appendix B: Evaluation Table* lists all the criteria upon which each proposal will be evaluated. The criteria are based on the requirements as provided in this RFP.

### 5.4 Evaluation Methodology

Each proposal will be examined to determine compliance with each mandatory requirement identified in Section 3.3.2 in this RFP. A proposal must comply with all of the mandatory requirements to proceed in the evaluation process. A proposal which is deemed by CMHC to be non-compliant in one or more mandatory requirements will be eliminated from further consideration. A proposal which meets all the mandatory requirements will be deemed compliant and will proceed in the evaluation process.

However, CMHC reserves the right to waive any mandatory requirements if it deems fit and appropriate to meet the interests of, and provide best value to CMHC. This clause should be interpreted solely for the benefit of CMHC and not for the benefit of the Proponents.

- a) Each compliant proposal will be individually evaluated by each member of the Evaluation Committee, made up of qualified personnel. Evaluators will evaluate and numerically score each proposal in accordance with the evaluation criteria for the *Response to Statement of Work* and *Implementation Plan* categories as shown in *Appendix B: Evaluation Table*. Pricing will not be evaluated at this stage.
- b) From the compliant proposals, CMHC will shortlist a minimum of three (3) proponents with the highest total scores for the Response to Statement of Work and Implementation Plan categories (as shown in *Appendix B: Evaluation Table*).
- c) The shortlisted proponents will then be evaluated on their Pricing Proposal using the *% based on lowest price* approach. The lowest overall cost proposal will receive the full points (on a scale from 1 to 10) available for the financial section, while the other proposals will receive a lower score for price relative to the lowest priced proposal.
- d) Proponents that have been shortlisted will then be invited to make a presentation to CMHC. The presentation will be given an overall rating based on the application of the criteria set out in this RFP. Details will be provided to the shortlisted proponents.
- e) The presentation will be scored as a separate item and added to the shortlisted proponents' RFP points. CMHC reserves the right to request *Best and Final Offers* from the shortlisted proponents. The *Best and Final Offer Pricing Proposal* will then be scored as identified in c) above.
- f) The lead proponent will be the proponent achieving the highest overall score.

## **5.5 Financial Evaluation**

CMHC will carry out a credit check and/or a financial capacity on the lead proponent before beginning agreement discussions. This is a pass/fail test. Pass means that agreement discussions begin. Fail means that the lead proponent may not enter into agreement discussions and is disqualified from further consideration. The financial evaluation will be based on the information supplied by the proponent as per *Section 4.8* of this RFP.

## **5.6 Proponent Selection**

Once a lead proponent has passed the financial evaluation, CMHC has the option of entering into negotiations with that proponent to incorporate some or all of its proposal into an agreement.

If at any time CMHC decides that the lead proponent cannot satisfy CMHC's requirements, CMHC may terminate negotiations. If at this time CMHC feels that the secondary proponent may meet the requirements, CMHC will continue the process with the secondary proponent and so on.

By submitting a proposal, proponents agree that if they are selected as lead proponent, they will enter into agreement negotiations in a timely manner and in good faith, and within the framework of the RFP and the proponent's response to the RFP.

Announcement of the successful proponent will be made to all proponents following the signing of an agreement.

## 6 SECTION 6 DRAFT SERVICES AGREEMENT

### 6.1 Overview of Section 6

Attached in *Appendix I: Draft Services Agreement* is a draft agreement containing terms and conditions that will form the basis of the agreement resulting from this RFP. CMHC reserves the right to add, delete or revise terms and conditions during negotiations.

Terms and conditions identified as “Mandatory” in the RFP or Draft Service Agreement must be included in the agreement. The proponent’s proposal and all associated correspondence from the proponent, where relevant, shall to the extent desired by CMHC, also form part of the resulting agreement.

**Submission of a proposal constitutes acknowledgement that the proponent has read and, unless otherwise stated in the proponent’s proposal, agrees to be bound by the terms and conditions in the draft agreement in the event that the proponent is selected by CMHC to enter into an agreement.**

For the purposes of this section the term “Contractor” refers to the successful proponent with whom CMHC enters into an agreement.



## 7 SECTION 7 APPENDICES & SCHEDULES

### 7.1 APPENDIX A: Certificate of Submission

**MANDATORY**

---

Company Name \_\_\_\_\_ hereby:  
Procurement Business Number (PBN) \_\_\_\_\_

---

- I. offers to provide services and/or products to CMHC, as described in this proposal, on and if, as and when required basis, all in accordance with the Request for Proposal;
- II. offers the terms as set out in this proposal, including any pricing proposal until 01 July 2014 as specified in *Section 2* of the RFP;
- III. certifies that, at the time of submitting this bid, is in full compliance with all tax statutes administered by all provincial, territorial and federal Ministries of Finance and that, in particular, all returns required to be filed under all provincial and federal tax statutes have been filed, and all taxes due and payable under those statutes have been paid or satisfactory arrangements for their payment have been made and maintained;
- IV. represents and warrants that in submitting the proposal or performing the Agreement, there is no actual or perceived conflict of interest;
- V. represents and warrants that in preparing the proposal, there was no actual or perceived unfair advantage due to the receipt of information regarding the RFP that was not made available to other proponents;
- VI. certifies that this proposal was independently arrived at, without collusion;
- VII. certifies that no gratuities or gifts in kind were offered to any CMHC employee, Board member or Governor-in-Council appointee; and intended, by the gratuity, to obtain a contract or favourable treatment under a contract;
- VIII. authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the proposal;
- IX. certifies, unless explicitly outlined in the proposal, that all pricing information is based on service provision which, at a minimum, fully meets all of the existing service standards as outlined in the Statement of Work;
- X. agrees to substantially comply with all of the section 6.0 Agreement "MANDATORY" clauses in an unaltered form as stated;
- XI. agrees and understand that submission of a proposal constitutes acknowledgement that the proponent has read and, unless otherwise stated in the proponent's proposal, agrees to be bound by the terms and conditions in the draft Agreement in the event that the proponent is selected by CMHC to enter into a contract;
- XII. (for sole proprietorships and partnerships) provides permission herewith to CMHC to undertake credit checks on the individuals listed below (names, signatures and home addresses of each must be provided);
- XIII. agrees that, in the event of acceptance of this proposal, it will enter Agreement negotiations in accordance with the RFP, and upon entry into an Agreement with CMHC, it will commit to providing the full scope of services identified in the Agreement;
- XIV. agrees that all responses and related materials become the property of CMHC, will not be returned and CMHC will not reimburse the proponent for any work related to, travel or materials supplied in the preparation of the RFP response; and
- XV. agrees that it and any other persons for which it is responsible, who are to perform the work as stated in this RFP, at the request of CMHC will comply with security screening as deemed appropriate.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013 at \_\_\_\_\_, Canada.

*Corporations are not required to provide a corporate seal. The signature of one witness is required for the signature of each Owner/Signing Authority.*

**Corporation/Individual:**

\_\_\_\_\_  
Signature of Signing Authority

\_\_\_\_\_  
Name and Title of Signing Authority

Declaration: I have the authority to bind the company.

**7.2 APPENDIX B: Evaluation Table**

	<b>A WEIGHT</b>	<b>B POINTS</b>	<b>C UPSET SCORE</b>	<b>D SCORE</b>
	<b>100 Total</b>	<b>1 to 10</b>		<b>A x B</b>
<b>Response to Statement of Work</b> Proponent will be evaluated on the information provided in response to the specifications listed in <i>Section 7.5: Rated Requirements Response Grid</i> .	<b>60</b>		<b>390</b>	
<b>Implementation Plan</b> Proponent will be evaluated on the information provided in response to each of the requirements set out in <i>Section 7.6: Implementation Plan Response Grid</i> .	<b>10</b>		<b>65</b>	
<b>Pricing Proposal *</b> Proponent will be evaluated on the information provided in response to the specifications listed in the following sections: <ul style="list-style-type: none"> <li>• 7.8: Appendix H: Pricing Proposal</li> <li>• 7.10: Appendix J: Life and LTD Insurance Premium Rates</li> <li>• 7.11: Appendix K: Health and Dental Insurance Premium Rates</li> <li>• 7.12: Appendix L: Optional Life and Optional Critical Illness Insurance Premium Rates</li> <li>• 7.13: Appendix M: Basic Life and LTD Plan 1 Retention</li> <li>• 7.14: Appendix N: Optional Life and LTD Plans 2 and 3 Retention</li> <li>• 7.15: Appendix O: Health and Dental Retention</li> </ul>	<b>30</b>			
<b>TOTAL</b>	<b>100</b>			

\* The lowest overall cost proposal will receive the full points (on a scale from 1 to 10) available, while the other proposals will receive a lower score for price relative to the lowest priced proposal.

### **7.3 APPENDIX C: Mandatory Compliance Checklist**

- |  |                          |
|--|--------------------------|
| <input type="checkbox"/> Submission Deadline           | Section 2.3              |
| <input type="checkbox"/> Offering Period               | Section 2.7              |
| <input type="checkbox"/> Response to Statement of Work | Section 4.6              |
| <input type="checkbox"/> Implementation Plan           | Section 4.7              |
| <input type="checkbox"/> Pricing Proposal              | Section 4.9              |
| <input type="checkbox"/> Draft Services Agreement      | Section 6                |
| <input type="checkbox"/> Certificate of Submission     | Section 7.1 (Appendix A) |

**7.4 APPENDIX D: Mandatory Requirements Response Grid**

As stated in *Section 3.3.2 Mandatory Requirements*, to qualify as an eligible proponent, you must meet all the following mandatory requirements. CMHC is seeking a proponent to provide the insurance plans and coverage necessary for the provision of group insurance plans for all active and retired employees and their families. By completing this response grid, the proponent must identify if they provide the following mandatory services:

Ref	Mandatory Requirements	Yes ✓	Additional Comments
7.4.1.	Provide group insurance coverage for CMHC’s group insurance benefits plan (life, AD&D, critical illness, LTD, health, dental) and offered to employees, retirees and their families as outlined in: <ul style="list-style-type: none"> <li>• Schedule 1: Statement of Work Details</li> <li>• Schedule 2: Benefits at a Glance</li> <li>• Schedule 3: Plan Summary Details – Employee</li> <li>• Schedule 4: Plan Summary Details – Retiree</li> <li>• Schedule 5: Benefits Handbook for CMHC Employees</li> <li>• Schedule 6: Benefits Handbook for CMHC Retirees</li> </ul>	<input type="checkbox"/>	
7.4.2.	Confirm that you are licensed to insure benefits in all Canadian provinces and territories.	<input type="checkbox"/>	
7.4.3.	Confirm that there will be no loss of coverage on the transfer of insurer for all employees and retirees on the effective date of a new plan resulting from this marketing in accordance with the CLHIA Guidelines.	<input type="checkbox"/>	
7.4.4.	Provide on an annual basis, by 01 September of the year preceding the renewal (01 July), a full report of all transactions related to the financial accounting of the group insurance benefits plan, including specific information on all components of the benefits plans, the status of all reserves held and other pertinent information as required by CMHC and/or its consultant to complete a full report and analysis.	<input type="checkbox"/>	

Ref	Mandatory Requirements	Yes ✓	Additional Comments
7.4.5.	Provide on an annual basis, by 01 September of the year preceding the renewal (01 July), the renewal rate calculations and projected rate recommendations for the group insurance benefits plan.	<input type="checkbox"/>	
7.4.6.	Ensure that all services are available in both English and French, in the language of choice of the plan member.	<input type="checkbox"/>	
7.4.7.	Appoint a dedicated senior client service representative with a minimum of 5 years experience with the administration of a benefit plan with a mid-size client.	<input type="checkbox"/>	

**7.5 APPENDIX E: Rated Requirements Response Grid**

The services required include, but are not limited to the following. Please refer to Schedules 1 to 7 for further details of the CMHC group insurance benefits plans.

Ref	Rated Requirements	Y, N, N/A	Response
<b>Proponent's Qualifications</b>			
7.5.1	Provide a description of the firm, its age, organization, number of full-time employees and service specialization.		
7.5.2	Explain how you determine which administrative office is assigned to a client.		
7.5.3	If awarded this contract, which office would provide support services?		
7.5.4	<p>References: Provide a list of three (3) contracts of a similar size/industry/scope which the proponent currently holds or has held over the past 24 months. For each contract, provide the following information:</p> <ul style="list-style-type: none"> <li>• company name</li> <li>• contact person name and phone number</li> <li>• client since (YYYY)</li> </ul> <p>As part of the shortlisting process, CMHC may approach the contact person for information relating to the quality of work provided by the proponent.</p>		
7.5.5	<p>How many clients with group insurance benefit plans do you currently administer?</p> <ul style="list-style-type: none"> <li>• How many total members does this represent?</li> </ul>		
7.5.6	How many new clients with group insurance benefit plans were gained in the last 4 years?		
7.5.7	How many clients with group insurance benefit plans were lost in the last 4 years?		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.8	At the last calculation date, was your company's available capital and surplus in excess of 150% of the Minimum Continuing Capital and Surplus Requirements (MCCSR) or the Minimum Capital Test/Branch Adequacy of Assets Test (MCT/BAAT) established in accordance with the Office of the Superintendent of Financial Institutions (OSFI) guidelines?		
7.5.9	If this contract was awarded to your company, would the available capital and surplus continue to be in excess of 150% of the recalculated MCCSR?		
7.5.10	In the event of bankruptcy, does Assuris provide coverage to your contract holders?		
7.5.11	In the event of bankruptcy, does the Property and Casualty Insurance Compensation Corporation provide coverage to your contract holders?		
7.5.12	Please provide a copy of your typical service level standards and your results for the most current 12 month period (e.g. paper claims processing time, electronic claims processing time, call turnaround time).		
7.5.13	Confirm that you are willing and able to enter into a service agreement including criteria that is specific to CMHC (e.g., claims processing times, contract/booklet amendment processing times, call centre reporting, responding to telephone and email inquiries, etc.), and financial penalties for below target performance.		
7.5.14	Indicate your current average turnaround time for processing extended health claims in the following years and provide your calculation methodology: <ul style="list-style-type: none"> <li>• 2010</li> <li>• 2011</li> <li>• 2012</li> </ul>		



Ref	Rated Requirements	Y, N, N/A	Response
7.5.15	Indicate your current average turnaround time for processing dental claims in the following years and provide your calculation methodology: <ul style="list-style-type: none"> <li>• 2010</li> <li>• 2011</li> <li>• 2012</li> </ul>		
<b>General</b>			
7.5.16	Confirm that, in the event of an unintended deviation from the specifications and the existing policy provisions you will insure a policy reflecting the existing provisions. <ul style="list-style-type: none"> <li>• If the proponent cannot duplicate the plan design details, any such deviations to the benefit plan descriptions must be specifically identified.</li> </ul>		
7.5.17	The proponent may offer additional coverage where appropriate or enhancements to the provisions of CMHC’s group insurance benefits plan, however any such enhancements must be specifically identified.		
7.5.18	Confirm that all benefits will be extended upon request for employees on severance for the employee’s minimum statutory notice period pursuant to federal employment standards legislation, even if extension of coverage is not prescribed by legislation. <ul style="list-style-type: none"> <li>• Indicate your process for allowing longer extensions.</li> </ul>		
7.5.19	Confirm that the period of time the employee was insured under the prior contract will be applied in any determination of pre-existing condition exclusions under LTD or suicide exclusions under Optional Life benefits.		
7.5.20	Confirm that there are no exclusions on the basis of pre-existing conditions for present employees and their dependents with regard to any benefit on the date of transfer.		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.21	CMHC reserves the right to an independent audit by its benefit consultant (with the appropriate signed confidentiality agreements). <ul style="list-style-type: none"> <li>• Confirm that any costs incurred by you will not be charged to CMHC.</li> </ul>		
7.5.22	Confirm that you will automatically approve Life, Critical Illness, and AD&D Waivers once an employee is approved for LTD (even if adjudication by a different insurer) and that you will not require separate applications.		
7.5.23	Confirm that any modification requested in the official documents will be subject to preliminary discussion between you and CMHC.		
7.5.24	Confirm that CMHC can terminate the contract at any time by providing written notice.		
7.5.25	Confirm that you will provide 120 days notice for contract termination.		
<b>Underwriting / Financial</b>			
7.5.26	Confirm that you will approve the volume of coverage in place for AD&D and Critical Illness for employees on disability. As at 12 July 2013, the following are the number of employees on LTD and the respective volume of insurance: <ul style="list-style-type: none"> <li>• Employee AD&amp;D: 12 employees (\$1,940,000)</li> <li>• Spousal AD&amp;D: 9 employees (\$1,220,000)</li> <li>• Employee Critical Illness: 0 employees</li> <li>• Spousal Critical Illness: 0 employees</li> <li>• Child Critical Illness: 0 employees</li> </ul>		
7.5.27	Confirm you are able to continue the premium-free status during the employee's LTD.		
7.5.28	For each of the experience-rated benefits, confirm the maximum period you are willing to guarantee your quoted rates.		
7.5.29	Confirm the maximum period you are willing to guarantee your quoted retention charges.		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.30	Confirm the maximum period you are willing to guarantee your quoted pooling charges.		
7.5.31	Confirm you will prepare an underwriting and funding agreement.		
7.5.32	Confirm that your quote at least matches the existing non-evidence maximum (NEM) and overall maximums.		
7.5.33	Provide the highest NEM and overall maximums that you are able to offer for the Life and LTD benefits.		
7.5.34	Confirm that medical evidence will be waived if the increase in insurance is due to a salary increase of 15% or less.		
7.5.35	Confirm your high amount pooling quote includes protection for all current and future claims above the high amount pooling limit shown in the specifications. <ul style="list-style-type: none"> <li>• Provide your standard wording.</li> </ul>		
7.5.36	For the experience-rated benefits, describe the credibility formula that will be applied to the claims experience for the: <ul style="list-style-type: none"> <li>• 1<sup>st</sup> renewal</li> <li>• 2<sup>nd</sup> renewal</li> <li>• 3<sup>rd</sup> renewal</li> </ul>		
7.5.37	Confirm that you will underwrite the Employee Life Insurance benefits (Basic, Supplemental, Optional) of any disabled employee on the effective date of the new contract if no waiver of premium was granted under the previous contract, subject to the applicable payment of premiums.		
7.5.38	Confirm that all paid extended health claims (recurring and non-recurring, including high cost prescription drugs) are included when determining whether the pooling level has been reached.		
7.5.39	The proponent will describe their overall approach to the annual renewal negotiations, including premium rate determinations, approach to deficit recoveries, interest rate charges or credits.		

Ref	Rated Requirements	Y, N, N/A	Response
<b>Plan Sponsor Support</b>			
7.5.40	Provide the bios of the persons to be assigned to the CMHC file on an ongoing basis, including their service, underwriting and disability management experience.		
7.5.41 7.5.42 7.5.43 7.5.44 7.5.45 7.5.46 7.5.47	Do you provide a web-based plan administrator site? If so: <ul style="list-style-type: none"> <li>• Provide an overview of the features and functionality of the site.</li> <li>• Identify the mobile devices that can access the site, and any limitations.</li> <li>• Identify the member-related information that can be added/amended/deleted via the site.                             <ul style="list-style-type: none"> <li>○ Does this include access to the statuses of LTD claims?</li> </ul> </li> <li>• Identify the billing information that can be accessed via the site.                             <ul style="list-style-type: none"> <li>○ Can it be imported into excel?</li> </ul> </li> <li>• Identify policy-related documents that can be accessed from the site (e.g. booklets)</li> <li>• Identify any limitations to the number of CMHC plan administrator users that can access the site.</li> </ul>		
7.5.48	Describe the workplace health and wellness services, such as on-site flu clinics, health risk assessment tools, preventative screening services, that you have available or facilitate. <ul style="list-style-type: none"> <li>• If applicable, identify in <i>Appendix H: Pricing Proposal</i> any related costs or fees.</li> </ul>		
<b>Plan Member Support</b>			
7.5.49	Do you provide direct deposit for claim payments? <ul style="list-style-type: none"> <li>• If so, identify if this varies by line of coverage and provide the details.</li> </ul>		
7.5.50	Confirm which providers are able to submit claims electronically. <ul style="list-style-type: none"> <li>• If applicable, identify in <i>Appendix H</i> any related costs or fees.</li> </ul>		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.51	Confirm if the following self-service capabilities are available on your plan member website: <ul style="list-style-type: none"> <li>• Amend member information. If so, identify what information can be added, modified, deleted.</li> </ul>		
7.5.52	<ul style="list-style-type: none"> <li>• Access the status of a claim.                             <ul style="list-style-type: none"> <li>○ If so, provide an image of the screen.</li> </ul> </li> </ul>		
7.5.53	<ul style="list-style-type: none"> <li>• Access claim details, and for how long (archiving period).                             <ul style="list-style-type: none"> <li>○ If so, provide an image of the screen.</li> </ul> </li> </ul>		
7.5.54	<ul style="list-style-type: none"> <li>• Online claims submission capabilities.                             <ul style="list-style-type: none"> <li>○ If so, indicate for which benefits.</li> </ul> </li> </ul>		
7.5.55	<ul style="list-style-type: none"> <li>• Access to HCSA claims history, including:                             <ul style="list-style-type: none"> <li>○ Credits elected by benefit year.</li> <li>○ Credits used by benefit year.</li> <li>○ Outstanding balances by benefit year.</li> <li>○ If so, indicate for how many benefit years</li> </ul> </li> </ul>		
7.5.56	<ul style="list-style-type: none"> <li>• Ability to apply on-line for conversion.                             <ul style="list-style-type: none"> <li>○ If so, indicate for which benefits.</li> </ul> </li> </ul>		
7.5.57	<ul style="list-style-type: none"> <li>• Access to customer service representative via live online chat capability.                             <ul style="list-style-type: none"> <li>○ If so, indicate the assistance or services offered.</li> </ul> </li> </ul>		
7.5.58	<ul style="list-style-type: none"> <li>• Access to Wellness tools and resources.                             <ul style="list-style-type: none"> <li>○ If so, provide examples.</li> </ul> </li> </ul>		
7.5.59	<ul style="list-style-type: none"> <li>• Identify the mobile devices that can access the site, and any limitations.</li> </ul>		
7.5.60	<ul style="list-style-type: none"> <li>• Provide the scheduled hours that the site is not available to users (e.g. maintenance window).</li> </ul>		
7.5.61	<ul style="list-style-type: none"> <li>• Identify any features, functionality or limitations of the site not identified above.</li> </ul>		
7.5.62	Confirm the call centre capabilities: <ul style="list-style-type: none"> <li>• Toll free telephone number(s)</li> </ul>		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.63 7.5.64 7.5.65	<ul style="list-style-type: none"> <li>• Hours of operation</li> <li>• Location of call centre(s)</li> <li>• Identify the ratio of English, French and Bilingual service representatives on duty</li> </ul>		
7.5.66 7.5.67 7.5.68	<p>Are you able to provide e-mail notification to members when:</p> <ul style="list-style-type: none"> <li>• a claim is received</li> <li>• a claim is processed</li> <li>• a cheque has been issued or a direct deposit made</li> </ul>		
7.5.69	<p>Confirm if claim forms are available as:</p> <ul style="list-style-type: none"> <li>• Online form</li> <li>• Fillable form</li> <li>• Non-fillable form</li> </ul>		
7.5.70 7.5.71 7.5.72	<p>What educational and/or experience is required of your:</p> <ul style="list-style-type: none"> <li>• call centre staff</li> <li>• adjudication staff</li> <li>• client services staff</li> </ul>		
7.5.73	<p>What are the internal processes for ensuring a high level of service is always maintained?</p>		
7.5.74	<p>How do you ensure that the notes on the claim statements, in particular for partially paid or declined claims, are sufficiently clear for the member to understand the rationale?</p> <ul style="list-style-type: none"> <li>• Can the notes be modified or customized further to a client's request? And if so, what is the turnaround time?</li> </ul>		
7.5.75	<p>What happens when mistakes are made?</p>		
7.5.76	<p>How is the client reimbursed when financial errors occur?</p>		
<b>Drug Management</b>			
7.5.77	<p>Is balance billing permitted on dispensing fees, i.e., can pharmacists charge plan members the difference between the amount submitted and the amount allowed?</p>		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.78	Is balance billing permitted on ingredient costs, i.e., can pharmacists charge plan members the difference between the amount submitted and the amount allowed?		
7.5.79	If balance billing is not permitted, indicate how this is enforced. <ul style="list-style-type: none"> <li>• Indicate the ramifications for pharmacies that balance bill (e.g. penalties, etc.)</li> </ul>		
7.5.80	Indicate who adjudicates paper (reimbursement) drug claims, e.g. you or your drug card network provider.		
7.5.81	For paper (reimbursement) drug claims, do you apply any controls, price files or cutbacks?		
7.5.82 7.5.83 7.5.84	Describe your requirements for prior authorization (PA). <ul style="list-style-type: none"> <li>• Include the list of drugs that require PA.</li> <li>• Does the list of PA drugs vary if the plan is Pay Direct versus reimbursement?</li> <li>• Provide a detailed description of how your process for PA drugs operates.</li> </ul>		
7.5.85	Describe your approach for drugs administered in hospital. <ul style="list-style-type: none"> <li>• Does your approach differ if the claim is for a child vs. an adult?</li> </ul>		
7.5.86	Describe your approach for drugs administered in an out-patient clinic. <ul style="list-style-type: none"> <li>• Does your approach differ for hospital affiliated clinics vs. private clinics?</li> </ul>		
7.5.87 7.5.88 7.5.89 7.5.90 7.5.91	Which of the following drug plan management strategies does your organization employ? (Please indicate whether the strategy is mandatory or optional). <ul style="list-style-type: none"> <li>• Mandatory generic substitution / lowest cost alternative</li> <li>• Health case management of claimants taking high cost drugs</li> <li>• Prior authorization for specific drug therapies</li> <li>• Step therapy</li> <li>• Dispensing fee frequency limits</li> </ul>		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.92	<ul style="list-style-type: none"> <li>Maximum mark-ups. Please describe.</li> </ul>		
7.5.93	<ul style="list-style-type: none"> <li>Mandatory integration with provincial drug program</li> </ul>		
<b>Claims Administration – Health and Dental</b>			
7.5.94	Confirm that you have the capability to electronically adjudicate first year deductibles and maximums from the previous insurer.		
7.5.95	Confirm you will recognize and input existing carryover provisions for all internal limits and maximums, including the 24-month eligibility cycles under the vision care and the lifetime amounts for orthodontia.		
7.5.96	Confirm that you have the appropriate system audits to ensure provincial government health benefits are first paid by the government programs, including co-ordination with provincial programs?		
7.5.97	<ul style="list-style-type: none"> <li>Describe the process, including out of province claims.</li> </ul>		
7.5.98	For paper (reimbursement) drug claims, indicate what information is captured by your system for each prescription (e.g. DIN, ingredient cost, dispensing fee, mark-up, other).		
7.5.99	How do you handle Coordination of Benefits?		
7.5.100	<ul style="list-style-type: none"> <li>Can your system automatically process Coordination of Benefits when spouses from two different group insurance policies are both insured by plans administered by your organization?</li> </ul>		
7.5.101	What adjudication process is used to ensure only reasonable and customary (R&C) charges are allowed for services by paramedical practitioners?		
7.5.102	Provide your current R&C limits for eye exams and paramedical practitioners and how the R&C limits are applied in the adjudication of claims.		
7.5.102	How frequently are R&C limits reviewed?		



Ref	Rated Requirements	Y, N, N/A	Response
7.5.103	Do you make information on your R&C limits easily available to: <ul style="list-style-type: none"> <li>• plan members?</li> <li>• plan sponsor?</li> </ul>		
7.5.104	What requirements are imposed for orthotic claims? <ul style="list-style-type: none"> <li>• Who may prescribe?</li> </ul>		
7.5.105	Confirm that your systems would be able to adjudicate separate coinsurance levels on specific prescription drugs.		
7.5.106	In Quebec, Health benefits are extended to dependents up to age 26 if they are in school. <ul style="list-style-type: none"> <li>• Can your systems accommodate this automatically or is it a manual process?</li> </ul>		
7.5.107	Do you offer a preferred provider network? <ul style="list-style-type: none"> <li>• Indicate for which benefits.</li> </ul>		
7.5.108	Do you customarily accept claims from a clinical counsellor in place of a psychologist? A social worker? A psychological associate?		
7.5.109	Confirm if you are able to identify Priority Personnel Service (e.g. executives) clients within a plan? <ul style="list-style-type: none"> <li>• If so, do you have any processes/resources/services dedicated to this group to ensure their claims are adjudicated/dealt with in an utmost fashion?</li> </ul>		
	<b>Reporting</b>		
7.5.110	Identify any reports that are <b>not</b> available online via the Plan Administrator site? <ul style="list-style-type: none"> <li>• How and when are they distributed?</li> </ul>		
7.5.111	Plan Administrator Site: <ul style="list-style-type: none"> <li>• Identify the reports that can be accessed via the site.</li> </ul>		
7.5.112	<ul style="list-style-type: none"> <li>• Identify the publishing frequency of the reports (e.g. real-time, nightly, weekly, monthly, quarterly, annually).</li> </ul>		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.113	<ul style="list-style-type: none"> <li>• Describe the export capabilities (e.g. excel, pdf).</li> </ul>		
7.5.114	<ul style="list-style-type: none"> <li>• Describe the print capabilities (e.g. printer friendly format)</li> </ul>		
7.5.115	<ul style="list-style-type: none"> <li>• Describe the ability to customize reports.</li> </ul>		
7.5.116	<ul style="list-style-type: none"> <li>• Describe the ability to create customized standard reports to meet specific CMHC requirements. Include the “priority basis” or timelines involved should CMHC require the creation of a specific report.</li> </ul>		
7.5.117	Outline the online claims reporting capabilities for the Advisor Level Site/Access, if different than the Plan Administrator site.		
7.5.118	Confirm you can provide reports separately by benefit, division and class.		
7.5.119	Confirm that you can provide reports separately by the financial status of employee experience than from retiree experience.		
7.5.120 7.5.121 7.5.122 7.5.123  7.5.124 7.5.125 7.5.126  7.5.127 7.5.128 7.5.129 7.5.130	<p>Confirm that the following reports are available, and provide a copy of each:</p> <ul style="list-style-type: none"> <li>• Annual financial results including special listings for:                             <ul style="list-style-type: none"> <li>○ Disabled Life Reserves</li> <li>○ Waiver of Premium Reserves</li> </ul> </li> <li>• Disability claims by type of disability, duration, age and gender</li> <li>• Breakdown of claims by category for both health and dental, e.g. semi-private hospital, drugs, PDN, basic, diagnostic, orthodontic, etc.</li> <li>• Detailed claims listings by benefit</li> <li>• Claims run off report</li> <li>• Annual financial report</li> <li>• Distribution of Health and Dental claims                             <ul style="list-style-type: none"> <li>○ by eligibility (by group of employees)</li> <li>○ by age</li> <li>○ based on the submitted amount</li> <li>○ based on the reimbursed amount</li> </ul> </li> </ul>		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.131	<ul style="list-style-type: none"> <li>○ based on denied claims</li> </ul>		
7.5.132	<ul style="list-style-type: none"> <li>○ based on the type of coverage (single/family)</li> </ul>		
7.5.133	<ul style="list-style-type: none"> <li>○ by employee/spouse/children</li> </ul>		
7.5.134	<ul style="list-style-type: none"> <li>● Distribution of drug claims based on the drug category</li> </ul>		
7.5.135	<ul style="list-style-type: none"> <li>● Top 50 prescription drugs</li> </ul>		
7.5.136	<ul style="list-style-type: none"> <li>● Top 10 biologic drugs</li> </ul>		
7.5.137	<ul style="list-style-type: none"> <li>● Distribution of claims by employee</li> </ul>		
7.5.138	<ul style="list-style-type: none"> <li>● Aggregate health data analysis:                             <ul style="list-style-type: none"> <li>○ Based on corporate usage</li> </ul> </li> </ul>		
7.5.139	<ul style="list-style-type: none"> <li>○ Compared to your client base</li> </ul>		
7.5.140	<ul style="list-style-type: none"> <li>● HCSA usage                             <ul style="list-style-type: none"> <li>○ credits elected by benefit year</li> </ul> </li> </ul>		
7.5.141	<ul style="list-style-type: none"> <li>○ credits used by benefit year</li> </ul>		
7.5.142	<ul style="list-style-type: none"> <li>○ outstanding balances by benefit year</li> </ul>		
7.5.143	<ul style="list-style-type: none"> <li>○ if historical data is available, please identify time period (e.g. current benefit year only, last three benefit years, all)</li> </ul>		
7.5.144	Describe your reporting capabilities for Health and Dental claims. Can you provide the following statistics on your block of business: <ul style="list-style-type: none"> <li>● Average Drug cost per claimant</li> </ul>		
7.5.145	<ul style="list-style-type: none"> <li>● Average Dental cost per claimant</li> </ul>		
7.5.146	<ul style="list-style-type: none"> <li>● Average Health (incl. Drugs) cost per claimant</li> </ul>		
7.5.147	<ul style="list-style-type: none"> <li>● The top 100 drugs paid and prescribed</li> </ul>		
7.5.148	<ul style="list-style-type: none"> <li>● Total usage and cost per prescription</li> </ul>		
7.5.149	Could you provide CMHC the statistics in 7.5.144-148 based on our experience?		
7.5.150	Can your system produce utilization trend reports for all benefits?		
7.5.151	Confirm you are able to provide, at no additional cost, annual reports, by individual health claims on a scrambled cert basis, in sufficient detail to validate the proper application of pooling.		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.152	Further to item 7.4.5, identify all reports that are available and may be included in the annual financial statement. <ul style="list-style-type: none"> <li>Provide a sample of a financial statement.</li> </ul>		
<b>Fraud and Quality Assurance</b>			
7.5.153	Describe your audit and quality control reviews, including: <ul style="list-style-type: none"> <li>how frequently this function is performed</li> </ul>		
7.5.154	<ul style="list-style-type: none"> <li>the percentage of claims processed that are audited (pre- and post-payment)</li> </ul>		
7.5.155	<ul style="list-style-type: none"> <li>Describe your monitoring and auditing processes for electronically submitted claims.</li> </ul>		
7.5.156	<ul style="list-style-type: none"> <li>If applicable, indicate if your fraud and audit processes differ when the employee directly submits a claim.</li> </ul>		
7.5.157	Describe your monitoring and auditing processes for claims payments assigned to providers (e.g. hospitals, paramedical practitioners, other) to detect fraud.		
7.5.158	Describe how you monitor medical and dental providers to detect problems of over prescribing/treatment, fraud, abuse of the plan, other.		
7.5.159	Describe how you monitor employee/claimant claims history to detect problems of possible overuse, other within their plans (pain medication, etc.)? <ul style="list-style-type: none"> <li>Please describe how you have helped other organizations find and correct misuse of medications?</li> </ul>		
7.5.160	Do you have a process for identifying and auditing unusual claim activity? <ul style="list-style-type: none"> <li>Confirm your audit process / fraud control process.</li> </ul>		
7.5.161	Describe how you monitor overall claim utilization to detect possible areas of concerns (e.g. drastic increase in claims by type of service)		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.162	Do you contact the plan sponsor if problems with particular providers, particular benefits, or employees are detected? • If yes, at what point in the process?		
7.5.163	Indicate how audit reports are used and the actions taken when problems are detected.		
7.5.164	Describe any additional efforts you employ to prevent, detect and recover fraudulent payments.		
7.5.165	Indicate where in the contract you have the ability to recover amounts paid in error (e.g. due to fraud or abuse) from future claims.		
7.5.166	Indicate if you report any monies recovered under their plan to the plan sponsor.		
7.5.167	Indicate your target error ratio. • Describe how errors are calculated (e.g. monetary, non-monetary, procedural, minor) and counted (e.g. multiple errors on one claim).		
7.5.168	Indicate your actual error ratio based on recent internal audits.		
<b>Communication / Implementation</b>			
7.5.169	Confirm you will accept current beneficiary forms.		
7.5.170	Confirm that until all contractual documents have been produced and agreed upon by CMHC, the current specifications (including all appendices) and your proposal (along with all the arrangements agreed upon between you and CMHC) will govern the application of the benefits and form the group benefits program.		
7.5.171	Indicate when you expect first drafts of the contractual documents to be provided, e.g. contracts, booklets, financial agreements.		
7.5.172	Provide samples of the communication and education documents you provide to Group Benefit Plan employees with your explanation of benefits statements for Health and Dental.		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.173	Describe how you will advise CMHC of legislative changes that may impact the coverage under the group insurance benefits plan including, but not limited to, the <i>Income Tax Act</i> , provincial health insurance programs and government legislation, both provincially and nationally.		
7.5.174	Confirm that all communication (i.e. documents forms, letters) are available in both English and French, in the language of choice of the employee.		
7.5.175	Describe how you will provide assistance with the communication and marketing of CMHC’s group insurance benefits plan.		
<b>Disability Management (LTD)</b>			
7.5.176	Does your definition of disability differ from that used by CMHC as follows: <i>Restriction or lack of ability due to an illness or injury which prevents an Employee from performing the essential duties of:</i> <i>a) his own occupation, during the Qualifying Period and the 2 years immediately following the Qualifying Period; and</i> <i>b) any occupation for which the Employee is qualified, or may reasonably become qualified by training, education or experience, after the 2 years specified in part a) of this provision.</i> • If yes, provide details.		
7.5.177	Are all claims reviewed for rehab potential?		
7.5.178	How do you communicate decisions to employees and to the employer?		
7.5.179	Can you provide rehabilitation services within a radius of 100 kilometres from Ottawa and the CMHC Regional Business Centres (refer to CMHC’s website for our locations <a href="http://www.cmhc-schl.gc.ca/en/corp/cous/cous_002.cfm">http://www.cmhc-schl.gc.ca/en/corp/cous/cous_002.cfm</a> ). If not, please identify the limitations.		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.180	Describe your process around “buying-out” LTD claims, including the circumstances that might cause this to occur and how you would engage CMHC in this process.		
7.5.181	Confirm that you accept CMHC’s practice to exclude severance payments from LTD offsets.		
7.5.182	Will CMHC have the right to review and authorize settlements?		
7.5.183	Describe your standard LTD adjudication process.		
7.5.184	Describe the process you follow to pursue applications for C/QPP disability benefit entitlement.		
7.5.185	What is your frequency for reviewing cases and the continued disability status of the claimant?		
7.5.186	Do you determine qualification for any occupation based on a percentage of pre-disability earnings?		
7.5.187	Can you expedite access to health care professionals and diagnostic services (e.g. MRI)?		
7.5.188	Describe your services (if any) to address non-medical barriers to return to work. When would you initiate these services?		
7.5.189	Provide samples of your LTD application and other commonly used forms. <ul style="list-style-type: none"> <li>• Initial claim notification</li> <li>• Initial "accept/denial" communication to employer and employee</li> <li>• Claims forms</li> <li>• Status update communication</li> </ul>		
7.5.190			
7.5.191			
7.5.192			
7.5.193	CMHC requires that return to work lead times are sufficient to ensure that a reintegration plan can be implemented by CMHC prior to the employee’s return, and before the employee is notified by the LTD service provider. Please describe your return to work process.		
7.5.194	Would a dedicated disability specialist be assigned to CMHC?		

Ref	Rated Requirements	Y, N, N/A	Response
<b>Travel Assistance</b>			
7.5.195	Indicate the provider that will administer the Travel Assistance benefit.		
7.5.196	Provide a complete description of the Medical Travel Assistance product offered by your company, including whether or not your product also provides services within Canada (but out-of-province) and any limitations regarding the duration of trips outside the employee's province.		
7.5.197	Confirm that all expenses incurred with respect to Medical Travel Assistance are fully pooled.		
7.5.198	Confirm if your product provides employees with assistance in submitting claims to the provincial governments' plans.		
7.5.199	Confirm that the employee is not required to pay out of pocket for expenses as long as the claim is reported as required.		
7.5.200	Confirm there are no "pre-existing conditions" or other limitations of a similar nature that is applicable under your plan for out-of-province emergency medical coverage.		
<b>Ancillary Benefits</b>			
7.5.201	Describe how your firm approaches Critical Illness renewals.		
7.5.202	Indicate which illnesses are covered by your Critical Illness product.		
7.5.203	Please outline any pre-existing condition limitations for Critical Illness.		
7.5.204	Indicate any evidence of insurability requirements under your Critical Illness product.		
7.5.205	Indicate any rate guarantees you are prepared to offer for Critical Illness.		
7.5.206	Are any amounts of Critical Illness available without evidence of insurability? <ul style="list-style-type: none"> <li>• Outline conditions that would apply.</li> </ul>		



Ref	Rated Requirements	Y, N, N/A	Response
7.5.207	Provide a sample letter of financial agreement.		
	<b>Security / privacy / confidentiality</b>		
7.5.208	Describe your company's privacy policy and how you maintain confidentiality of personal information while meeting the plan sponsor's need for information to support plan management.		
7.5.209	Please confirm if you currently employ security systems and procedures, such as:		
7.5.210	<ul style="list-style-type: none"> <li>• Firewall that filters the required protocols and supports the logging of all access attempts.</li> </ul>		
7.5.211	<ul style="list-style-type: none"> <li>• Web server support of SSL and the use of encryption keys that are modified every two years at a minimum.</li> </ul>		
7.5.212	<ul style="list-style-type: none"> <li>• Secure authentication technology (i.e. token technology or user ID and password / password life and complexity).</li> </ul>		
7.5.213	Please confirm if you currently employ a security policy that includes:		
7.5.214	<ul style="list-style-type: none"> <li>• Regular auditing of all processes and reviews of all firewall rule sets.</li> </ul>		
7.5.215	<ul style="list-style-type: none"> <li>• Prohibited storage, use and access to any information for any purposes other than for the original intent.</li> </ul>		
7.5.216	<ul style="list-style-type: none"> <li>• Security screening (employees and contracts have been security screened to the level specified for their position or contract, or to the minimum required to access the system, whichever is greater).</li> </ul>		
7.5.217	<ul style="list-style-type: none"> <li>• Access control review (granting, modifying or revoking accesses).</li> </ul>		
7.5.218	<ul style="list-style-type: none"> <li>• Security incident reporting process.</li> </ul>		
7.5.219	<ul style="list-style-type: none"> <li>• Physical location/physical access control procedures (i.e. does the system reside in an area that meets the physical security requirements appropriate to its sensitivity level, is access to the site restricted to authorized personnel)</li> </ul>		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.218	Indicate if there is redundancy in all systems supporting your production environment, including but not limited to:		
7.5.219	<ul style="list-style-type: none"> <li>• Backup communication lines</li> </ul>		
7.5.220	<ul style="list-style-type: none"> <li>• Backup application</li> </ul>		
7.5.221	<ul style="list-style-type: none"> <li>• Backup database</li> </ul>		
7.5.222	<ul style="list-style-type: none"> <li>• Backup hardware</li> </ul>		
7.5.223	<ul style="list-style-type: none"> <li>• Backup power supply</li> </ul>		
7.5.224	Indicate if you have a Disaster Recovery Facility that is separate from the primary production site to provide full backup and timely resumption of processing for critical systems.		
	<b>Other</b>		
7.5.225	Proponent’s contingency planning. Please demonstrate that a business resumption plan is in place, including describing what protocols and processes are in place to ensure against service interruptions.		
7.5.226	<p>CMHC’s contingency planning.</p> <ul style="list-style-type: none"> <li>• What would you do to assist CMHC manage an unexpected event that would impact the health and wellbeing of a larger than normal number of its employees.</li> </ul>		
7.5.227	<ul style="list-style-type: none"> <li>• Please identify the threshold (i.e. # claims) that would impact your capacity to respond within the agreed to service level standard.</li> </ul>		
7.5.228	CMHC currently undertakes significant administration of its group insurance benefits. Should CMHC fully commit to outsourcing the administration function in the future, provide details on the services (including the different service levels, if applicable), processes, requirements and all costs (to be included in Appendix H) should the proponent administer CMHC’s group insurance plans.		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.229	<p>CMHC will be undertaking a review of its retiree group insurance benefits with a view to maximizing the value of CMHC’s group insurance benefits for retirees, while ensuring the viability and sustainability of CMHC’s group insurance plan in the long term. Potential options for the future direction of CMHC’s retiree group insurance plan could include the following, or a combination of the following:</p> <ul style="list-style-type: none"> <li>• Continuing with a partially funded plan or have a non-funded group insurance benefits plan</li> <li>• Having an HCSA-only solution</li> <li>• Creating a new plan for new retirees, with the option for existing retirees to opt-into the new plan</li> </ul> <p>Describe your ability to design such a retiree benefit plan(s) around these options, or any limitations, and provide other solutions that might help achieve CMHC’s objective.</p>		
7.5.230	<p>Assist CMHC in developing and managing its employees’/retirees’ health and wellness strategies by, for example:</p> <ul style="list-style-type: none"> <li>• Providing for the online evaluation of the health and wellbeing of employees/retirees.</li> <li>• Identifying group insurance best practices, industry standards, business processes, trends, and undertaking benchmarking initiatives.</li> <li>• Assessing CMHC’s wellness programs and resources, such as group insurance benefits, employee assistance program, absence management services, alternative work arrangements, etc. and identify areas for improvement to achieve its wellness objectives and goals.</li> <li>• Identifying the feasibility of new benefit options, as well as the impact of implementing such benefits.</li> </ul>		

Ref	Rated Requirements	Y, N, N/A	Response
7.5.231	The proponent will provide information on any other services that they are able to provide to CMHC which would be of assistance or value to the Corporation, including, but not limited to, innovative strategies for cost containment or wellness initiatives, or any other services that are normally linked to the provision of Group Insurance Benefits Plans for employees/retirees and their families.		

**7.6 APPENDIX F: Informational Requirements**

As stated in *Section 3.3.4 Informational Requirements*, the responses to the following questions will not be rated, however they are required to provide CMHC with additional information regarding administrative processes.

Further to *Section 4.1* in the *Proposal Requirements* Section, please include the responses to the following questions under separate tabs and clearly indicate the tabs in the table of contents.

Ref	Informational Requirements
7.6.1.	For Life and LTD, indicate in detail the calculation method to determine the level of waiver of premium (WOP) and disabled life reserve (DLR) reserves at year-end for open cases.
7.6.2.	For Life and LTD, provide the WOP and DLR reserve factors.
7.6.3.	Indicate for each benefit the method used to establish renewal rates indicating, where applicable, the extent of use of such factors: <ul style="list-style-type: none"> <li>• experience results specific to the plan sponsor including or not results from the previous carriers</li> <li>• credibility factor</li> <li>• the rate (current, manual rate or quoted rate) that will be used for the non-credible portion</li> <li>• change in demographics</li> <li>• impact of an accumulated deficit, including the date at which such position is established</li> <li>• impact of a claim fluctuation reserve, including the date at which such position is established</li> <li>• impact of a fully funded claim fluctuation reserve, including the date at which such position is established</li> <li>• possible adjustment to your approach in order to reflect exceptionally good or bad experience results</li> <li>• anticipated interest credits</li> <li>• utilization of fluctuation margins</li> <li>• maximum margin for deficit recovery</li> <li>• at renewal, how you would establish the considered large amount pooling (LAP)?</li> </ul>
7.6.4.	For Life and LTD, for renewal purposes, indicate in detail the calculation method to determine the level of reserves at year-end for open cases. <ul style="list-style-type: none"> <li>• Reserve Basis                             <ul style="list-style-type: none"> <li>○ reference table</li> <li>○ detailed modifications to the reference table</li> <li>○ interest rates</li> <li>○ if step interest rates, specify at which date the first rate is discounted (disability date, valuation date)</li> </ul> </li> </ul>

Ref	Informational Requirements
	<ul style="list-style-type: none"> <li>○ additional fees, if any, should be identified in <i>Appendix H: Pricing Proposal</i></li> <li>○ difference between that table and the standard one, if any</li> <li>● Unit Reserves – Life Insurance                             <ul style="list-style-type: none"> <li>○ Waiver of premium reserve (ending at age 65) (/ \$1,000 of coverage) – including retention fees</li> </ul> </li> <li>● Unit Reserves – Long Term Disability                             <ul style="list-style-type: none"> <li>○ Disabled Life Reserve (ending at age 65) (/ \$100 of monthly benefits) – Males – Without COLA (including retention fees)</li> <li>○ Disabled Life Reserve (ending at age 65) (/ \$100 of monthly benefits) – Males – With COLA at CPI max. 3% after 3 years of LTD (including retention fees)</li> <li>○ Disabled Life Reserve (ending at age 65) (/ \$100 of monthly benefits) – Females – Without COLA (including retention fees)</li> <li>○ Disabled Life Reserve (ending at age 65) (/ \$100 of monthly benefits) – Females – With COLA at CPI max. 3% after 3 years of LTD (including retention fees)</li> </ul> </li> </ul>
7.6.5.	<p>With respect to the conversion charges applicable to the life (Basic and Optional) insurance benefits:</p> <ul style="list-style-type: none"> <li>● Provide a table describing these charges for each type of life insurance available in case of conversion</li> <li>● Describe in which situation these charges are applicable</li> </ul>

**7.7 APPENDIX G: Implementation Plan Response Grid**

As stated in *Section 4.7 Implementation Plan*, please describe your recommended approach by completing the following table:

Ref	Implementation Plan	Response
7.7.1.	Project Deadline. Will you be able to implement full services and operate at launch date on 01 July 2014?	
7.7.2.	Project Management Approach. The proponent shall describe its project management approach and the project management organizational structure, including reporting levels and lines of authority.	
7.7.3.	Work Schedule. The proponent shall provide a detailed implementation project plan and describe the methodology for effecting a smooth transition of insurance carriers for CMHC, the employees and retirees. A detailed description with allocated staff to assist throughout the implementation period and a description and timing of all steps that will be followed by all parties.	
7.7.4.	Working Relationship with CMHC. The proponent shall describe and explain: <ul style="list-style-type: none"> <li data-bbox="325 976 951 1040">• how many different contacts will be directly involved with CMHC staff.</li> </ul>	
7.7.5.	<ul style="list-style-type: none"> <li data-bbox="325 1049 989 1114">• how issues and problems that may arise will be resolved.</li> </ul>	
7.7.6.	<ul style="list-style-type: none"> <li data-bbox="325 1128 1016 1224">• if case management staff will be available for meetings at the client’s location and/or telephone conferences as part of the implementation process.</li> </ul>	
7.7.7.	Quality Control. The proponent shall describe its approach to quality control including: <ul style="list-style-type: none"> <li data-bbox="325 1313 1064 1378">• details of the methods used in ensuring the quality of the work.</li> </ul>	
7.7.8.	<ul style="list-style-type: none"> <li data-bbox="325 1390 930 1421">• response mechanisms in the case of errors,</li> </ul>	

<b>Ref</b>	<b>Implementation Plan</b>	<b>Response</b>
	omissions, delays, etc.	
7.7.9.	Status Reporting to CMHC. The proponent shall describe its status reporting methodology including details of written and oral progress reporting methods.	
7.7.10.	Launch. Please describe your proposed communication strategy for CMHC (i.e. documented procedures/guidelines, resource materials such as brochures).	



**7.8 APPENDIX H: Pricing Proposal**

**Chart 7.8.1: Additional Costs**

Further to Appendices J to O, please indicate all other costs that might be relevant based on the Mandatory, Rated and Informational Requirements. All prices are to be quoted in Canadian dollars and are to be exclusive of taxes.

Ref	Services	Costs
7.7.1 7.7.2 7.7.3 7.7.4 7.7.5 7.7.6 7.7.7 7.7.8 7.7.9	For each of the following elements, indicate how the interest credits or charges are calculated and specify the interest rate basis (for financial reporting and/or experience analysis purposes): <ul style="list-style-type: none"> <li>• premiums received</li> <li>• paid claims</li> <li>• retention fees (including pooling charges)</li> <li>• incurred but not reported reserves (IBNR)</li> <li>• disabled life reserves (for LTD monthly benefits)</li> <li>• waiver of premium reserves</li> <li>• claim fluctuation reserves</li> <li>• dividend</li> <li>• deficit</li> </ul>	
7.7.10	Confirm your quotation adheres to the specifications identified in Schedules 3 and 4 without limitations or deviations you may have with respect to the current benefit provisions for Life, LTD, Health, Dental, AD&D. <ul style="list-style-type: none"> <li>• If NO, list all deviations separately for each benefit. Deviations not specified will not be accepted.</li> </ul>	
7.7.11	Confirm your quotation includes all administration services described in Appendices J to O. <ul style="list-style-type: none"> <li>• If NO, list all deviations separately. Deviations not specified will not be accepted.</li> </ul>	

Ref	Services	Costs
7.7.12	Confirm you agree to execute the preparation and revisions of the master application at no additional cost.	
7.7.13	Confirm you agree to prepare a detailed administration manual and training for CMHC at no additional cost.	
7.7.14	Do you agree to execute the preparation of employee announcement letters at no additional cost?	

**Chart 7.8.2: Implementation Costs (One-Time Costs)**

Further to your response to Section 4.7 in *Appendix G: Implementation Plan Response Grid*, please identify and describe all implementation costs (by units where applicable), including any assumptions used.

All prices are to be quoted in Canadian dollars and are to be exclusive of taxes. Where applicable, the second column (#) in the following table refers to the questions identified in *Appendices D, E and F*.

Ref	Services or Expenses	Fee Basis Unit	Cost per Unit	Estimated Number of Units	Annual Cost (Excluding Taxes)	Additional Details/Notes
7.7.15						
7.7.16						
7.7.17						
7.7.18						
7.7.19						
7.7.20						
7.7.21						

## **7.9 APPENDIX I: Draft Services Agreement**

### **DRAFT SERVICES AGREEMENT**

CMHC FILE No. 201302826

#### **THIS AGREEMENT (the “Agreement”)**

**BETWEEN**                    **CANADA MORTGAGE AND HOUSING CORPORATION**  
National Office  
700 Montreal Road  
Ottawa, Ontario, Canada  
K1A 0P7  
(hereinafter referred to as "CMHC")

**AND**

(hereinafter referred to as "the Contractor")  
(each individually a “Party”, collectively the “Parties”)

**WITNESSES THAT** in consideration of the respective covenants and agreements of the parties, CMHC and the Contractor mutually covenant and agree as follows:

#### **Article 1.0 - The Services**

- 1.1** The Contractor covenants and agrees to provide insurance coverage necessary for the provision of CMHC’s group insurance plans in accordance with the Statement of Work attached as Appendix “A” (the “Services”).
- 1.2** The Contractor represents that it possesses the requisite skills and experience to perform the Services in accordance with the terms and conditions of the Agreement. The Contractor warrants that the Services will be performed in a professional manner and in accordance with accepted industry standards.
- 1.3** A complete list of CMHC sites to be serviced is provided in the RFP and shall form part of this Agreement.

#### **Article 2.0 - Term of the Agreement**

- 2.1** The term of the Agreement shall be for a period of 5 years commencing on 01 July 2014 and terminating on 30 June 2019 (the “Term”).

## **2.2 Termination**

### ***No fault termination***

Notwithstanding articles 2.1 above, CMHC may terminate the Agreement for any reason with no penalty or charge by giving sixty (60) days written notice at any time during the Term.

### ***Termination for Default of Contractor***

CMHC may, by giving 10 days prior written notice to the Contractor, terminate this Agreement without penalty or charge for any of the following reasons:

1. The Contractor commits a material breach of its duties under this Agreement, unless the Contractor cures such breach and indemnifies CMHC for any resulting damage or loss, both in a manner satisfactory to CMHC in its sole, absolute and non-reviewable discretion, within twenty (20) calendar days of receipt of written notice of breach from CMHC;
2. The Contractor commits numerous breaches of its duties under this Agreement that collectively constitute a material breach;
3. There is a change in control of the Contractor where such control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of the Contractor are acquired by any entity, or the Contractor is merged with or into another entity to form a new entity, unless the Contractor demonstrates to the satisfaction of CMHC that such event will not adversely affect its ability to perform the services under this Agreement; or
4. The Contractor becomes bankrupt or insolvent, or a receiving order is made against the Contractor, or any assignment is made for the benefit of the creditors, or if an order is made or a resolution passed for the winding up of the Contractor.

CMHC may terminate this Agreement without notice if the Contractor commits gross misconduct, fraud or other unlawful acts.

### ***CMHC's Obligations upon Termination***

In the event that a notice of termination is given, and subject to the deduction of any claim which CMHC may have against the Contractor arising out of the Agreement or its termination, CMHC will be obliged to make payment for the value of all Services performed to the date of the notice, such value to be determined in accordance with the rate(s) specified in the Agreement. CMHC will make payment within thirty (30) days of the date of the notice or receipt of an invoice submitted by the Contractor, whichever is later. Upon such payment, it shall have no further obligation or liability of any kind to the Contractor.

### ***Contractor's Obligations upon Termination***

Upon termination of this Agreement or upon delivery of notice of intent to terminate this Agreement, the Contractor shall promptly review all work in progress and forward it to CMHC. The Contractor shall provide CMHC with reasonable transitional assistance at the rates specified in the Agreement, or if no rates are specified at the contractor's standard rates.

### **2.3 Termination Assistance**

Commencing six (6) months prior to expiration of the Term or on such earlier date as CMHC may request, or commencing upon any notice of termination or non-renewal of this Agreement, the Contractor shall provide CMHC with reasonable termination assistance as requested by CMHC to allow the services to continue without interruption or adverse effect and to facilitate the orderly transfer of the services to CMHC or its designee.

## **Article 3.0 – Financial**

- 3.1** In consideration of the performance of the services, as described in Article 1.0, CMHC agrees to pay the Contractor an amount based on the Contractor's rates attached as Schedule B. Notwithstanding the foregoing, under no circumstances shall CMHC's total financial liability under the Agreement exceed \$ \_\_\_\_\_ for Services provided during the initial term of the Agreement. Pricing increases may be negotiated for each successive renewal term where applicable.
- 3.2** The amount payable to the Contractor by CMHC pursuant to article 3.1 is inclusive of all taxes, assessments, duties or other levies that may be payable, including any goods and services tax/harmonized sales tax (GST/HST) or retail sales tax (RST). No other taxes, assessments, duties or other levies shall be payable to the Contractor unless specifically agreed in writing by the Contractor and CMHC.
- 3.3** Notwithstanding article 3.2 above, GST/HST or RST, to the extent applicable and required to be collected, shall be collected by the Contractor and shown as a separate item on each invoice. Where the Contractor is required to collect the GST/HST, the invoice issued by the Contractor shall show the Contractor's GST/HST number. Where the Contractor is also required to collect the Quebec Sales Tax (QST), the invoice shall show the QST number. The Contractor shall duly remit to the Canada Revenue Agency or the appropriate provincial taxing authorities all taxes payable on the Services.

***Contracting party to choose version I or version II when contracting for services with a non-resident of Canada.***

### ***Version I***

Any payments made to the Contractor by CMHC pursuant to article 3.1 in respect of services rendered in Canada will be subject to a 15% withholding tax as required pursuant to Regulation 105 of the Income Tax Act. If any such withholding taxes are required to be withheld from amounts payable to the Contractor, CMHC shall make such withholdings and duly and promptly remit the amount withheld to the Canada Revenue Agency.

### ***Version II***

Notwithstanding article 3.2 above, any payments made to the Contractor by CMHC pursuant to article 3.1 in respect of services rendered in Canada will be subject to a 15% withholding tax as required pursuant to Regulation 105 of the Income Tax Act. If any such withholding taxes are required to be withheld from any amounts payable to the Contractor, CMHC shall

- (i) make such withholdings and duly and promptly remit the amount withheld to the Canada Revenue Agency; and
- (ii) record as a credit note the additional amounts to the Contractor so that the net amount received by the Contractor after such withholdings will not be less than the amount the Contractor would have received had such withholding taxes not been withheld.

## **3.4 Invoicing**

The Contractor shall submit detailed invoices to CMHC at regular intervals during the Term, and at least on a quarterly basis, describing the Services provided during the period covered by the invoice. The Contractor must allow 30 days from delivery of invoice for payment without interest charges. The Contractor cannot invoice prior to performance of the Services.

All invoices must make reference to this Agreement by quoting CMHC file number 2013082826.

Before advancing any amount to the Contractor, CMHC reserves the right to determine, in its sole and absolute discretion, whether the services were performed in accordance with the terms and conditions of the Agreement. In the event that the services do not meet the standards set out in the Agreement, CMHC may take such action as reasonably necessary to correct the Contractor's default, including, without limitation, the following:

- a) directing the Contractor to redo the work that was not completed in accordance with the Agreement;
- b) withholding payment;

- c) setting off any expenses incurred by CMHC in remedying the default of Contractor against payment for payment due to the Contractor;
- d) terminating the Agreement for default.

### **3.5.1 Method of Payment**

All payments due under the Agreement will be made by means of Electronic Funds Transfer (“EFT”). The Contractor is responsible for providing CMHC with all the information set out in Section 3.5.2 to allow EFT to be effected and for keeping the information up to date. In the event that CMHC is unable to make payment by EFT, the Agreement agrees to accept payment by cheque or another mutually agreeable method of payment.

### **3.5.2 Direct Deposit and Income Tax Reporting Requirement**

As a federal Crown Corporation, CMHC is obliged under the Income Tax Act and Regulations to report payments to suppliers of goods and/or services by using a T1204 supplementary slip. CMHC must therefore obtain the necessary information from suppliers, including the Contractor’s social insurance number and/or corporate identification number, in order to allow CMHC to make payment by EFT and to complete the T1204 supplementary slip. The Contractor is required to complete and sign a Supplier - Direct Deposit and Tax Information Form (CMHC/SCHL 3085) prior to commencement of the Term. Throughout the Term, the Contractor is required to ensure that the information provided remains accurate and up to date. The Contractor assumes full responsibility for any errors in payments or tax reporting that arise because the information supplied is inaccurate or out of date.

### **3.6 Audit**

The Contractor shall maintain proper and standard records and accounts during the Term and for a period of three (3) years following the end of the Term. The Contractor agrees to allow CMHC’s internal and external auditors the right to examine, at any reasonable time, any and all records relating to the services identified herein

The Contractor agrees to provide the CMHC’s internal or external auditors with sufficient original documents in order to conduct any audit procedures. Any audit may be conducted without prior notice; however the CMHC agrees to cooperate with the Contractor in the course of conducting any audit in order to avoid disruption in day-to-day operations and to preserve confidentiality of any proprietary information that is disclosed.

## **Article 4.0 - General Terms and Conditions**

### **4.1 Intellectual Property Rights**

All material, reports and other work product produced under the Agreement will become the sole property of CMHC upon coming into existence and CMHC will hold all intellectual property rights therein. The Contractor warrants that it has sufficient rights to satisfy this term, and that any necessary waivers of moral rights have been obtained, as provided for in the law of copyright. Upon the material coming into existence, the Contractor hereby assigns all rights in the material to CMHC and agrees to execute any document requested by CMHC acknowledging CMHC's ownership of the material and work product and the waiver of moral rights therein.

Nothing in this Agreement is intended to affect the pre-existing Intellectual Property Rights of the Parties, and all personal information, whether or not it is marked as confidential.

### **4.2 Confidentiality and Non-Disclosure of CMHC Information** **MANDATORY**

In this section, "CMHC Information" refers to any and all information of a confidential nature, including all personal information that is in the care or control of CMHC, and is managed, accessed, collected, used, disclosed, retained, received, created or disposed of in relation to the provision of the Services, however the information is obtained. Without limiting the generality of the foregoing, CMHC Information includes data in any format and information obtained directly or indirectly by the Contractor.

**The Contractor understands the sensitive nature of the CMHC Information and agrees to treat all CMHC Information as proprietary, confidential and sensitive during the Term and following termination of the Agreement, unless otherwise specifically agreed to in writing by CMHC. The Contractor further agrees to restrict access to CMHC Information to those persons who have a need to know this information in order to perform the Services and who are bound by an obligation of confidentiality that is as strict as that contained in this Agreement.**

**In the event that a breach of confidentiality occurs, the Contractor will immediately notify CMHC and co-operate with CMHC to the extent required to remedy the breach.**

Where the Services are sensitive in nature, CMHC may require that the Contractor provide an Oath of Secrecy for each of its employees or persons engaged in performing the Services.

The Contractor further acknowledges and understands that CMHC considers all CMHC information to be under its custody and control at all times, and that all information in the care and control of CMHC is subject to federal laws on privacy and access to information.



Any documents provided to the Contractor in the performance of the Services shall be returned, uncopied to CMHC or destroyed by the Contractor immediately following the termination of this Agreement. For documents not returned to CMHC, the Contractor shall provide specific proof under oath of their destruction.

The Contractor shall ensure that CMHC Information shall remain in Canada and expressly agrees to segregate CMHC Information, whether in electronic format or in hard copy, from other information by physical or electronic means. Without limiting the generality of the foregoing, the Contractor shall not and shall ensure that any subcontractor, reseller, agent or any other entity engaged to perform any portion of the Services does not release, share or otherwise divulge CMHC Information to any other entity including subsidiaries, branch offices, partners of the Contractor or subcontractors without the prior written consent of CMHC.

Where disclosure of CMHC Information is required pursuant to a lawful requirement or for the purposes of complying with a subpoena or warrant lawfully issued or lawfully made by a court, or other competent authority, the Contractor shall notify CMHC promptly after discovering the potential of disclosure of the CMHC Information so that CMHC has the opportunity to seek a protective order or other appropriate remedy.

The Contractor also agrees that in the event that disclosure of CMHC Information is required by a valid and applicable law, it shall, in co-operation with CMHC, take all reasonable steps to prevent access to CMHC Information including but not limited to taking appropriate legal action against disclosure, providing information and other assistance in order for CMHC to take appropriate legal action against disclosure and ensuring that disclosure is strictly limited to the information lawfully requested.

#### **4.3. Contractor's Indemnification**

The Contractor agrees to indemnify, defend and hold harmless CMHC, its officers, employees and agents, for all loss, damages, costs, expenses, claims, demands, actions, suits or other proceedings of every nature and kind, including legal fees, arising from or in consequence of an act or omission of the Contractor related to the performance of the Services. To the extent that CMHC's actions contribute to the loss or damages, CMHC shall be responsible for its proportionate share of the liability. The indemnification applies whether the actions, suits or proceedings are brought in the name of CMHC or in the name of the Contractor. The Contractor shall be fully responsible to CMHC for the acts and omissions (including negligence) of its subcontractors and of persons directly or indirectly engaged by such subcontractors as if such acts and omissions were those of the Contractor.

CMHC shall have the right to assume control of its own defence at any time, provided that it assumes the costs of its defence.

#### **4.4. Independent Contractor**

It is understood by the Parties that the Contractor shall act as an independent contractor for the purposes of the Agreement. It and its employees, officers, agents and contractors are not engaged as employees of CMHC. The Contractor agrees to so advise its employees, officers, agents and contractors.

Without limiting the generality of the foregoing, the Contractor shall retain complete control of and accountability for its employees, agents and contractors. The Contractor shall prepare and process the payroll for its employees directly, and shall withhold and/or pay all applicable employment taxes and statutory payroll deductions required in respect of its employees. All personnel who are employed by the Contractor at the beginning of the Term shall, at all times, and for all purposes, remain solely in the employment of the Contractor.

#### **4.5. Contractor's Authority**

The Contractor agrees that it has no authority to give any guarantee or warranty whatsoever expressed or implied on behalf of CMHC and that it is in no way the legal representative or agent of CMHC and that it has no right or authority to create any obligation on behalf of CMHC or to bind CMHC in any way.

#### **4.6. Corporation Identification**

It is agreed that the Contractor will make no use whatsoever of CMHC's name, logo or other official marks without the express written consent of CMHC.

#### **4.7. Conflict of Interest**

**MANDATORY**

The Contractor and its principals, employees, agents and subcontractors shall avoid any real, potential or apparent conflict of interest during the Term and shall declare any real, potential or apparent conflict of interest to CMHC immediately upon becoming aware of the conflict. The Contractor shall, upon direction of CMHC, take steps to eliminate any conflict, potential conflict or perception that a conflict of interest exists.

The Contractor must not provide any services to any third party in circumstances that might reasonably give rise to a conflict of interest between the Contractor's duties to that third party and the Contractor's duties to CMHC.

In the event that a conflict of interest, real, potential or perceived, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately terminate the Agreement. All work product that has been completed at the date of termination shall be forwarded to CMHC and CMHC shall be liable for payment to the Contractor of an amount which, in the sole opinion of CMHC, constitutes reasonable payment for the partial performance of the Contractor's obligations under the Agreement. Upon such payment, CMHC shall have no further obligation of any nature or kind to the Contractor.

Any public office holder or former public office holder must be in compliance with the provisions of the *Conflict of Interest Act* order to derive a direct benefit from any Agreement which may arise from this request for proposal.

#### **4.8. Insurance**

##### **A) Commercial General Liability Insurance**

The Contractor will provide and maintain Commercial General Liability insurance for a limit of not less than \$5,000,000 per occurrence for bodily injury or damage to property including loss of use of such property. This policy shall include the following extensions:

- broad form property damage
- cross liability including severability of interest
- personal Injury
- blanket contractual liability
- employers liability (or confirmation that all employees including sub-contractors and independent contractors are covered by Workers Compensation)
- non owned automobile liability
- Canada Mortgage and Housing Corporation to be added as additional insured
- 30 days prior written notice of cancellation to Risk Management Consultant, 700 Montréal Road, Ottawa, Ontario K1A 0P7
- contractors liability to include operations of independent contractors (if not provided then each subcontractor must provide a certificate of insurance confirming that they have liability insurance as detailed in the RFP).

##### **B) Professional Errors and Omissions Liability**

The Contractor will provide and maintain Professional Liability insurance for a limit of not less than \$25,000,000. The policy will provide 30 days prior written notice of cancellation to Risk Management Consultant, 700 Montréal Road, Ottawa, Ontario K1A 0P7 Coverage is to include the Contractor's employees and contract employees (if applicable) as insured.

The Contractor shall ensure that the policy is renewed continuously for a minimum period of five (5) years following the expiration or early termination of this agreement.

##### **Other Conditions**

All Certificate of Insurance shall mention that insurers will provide CMHC with at least thirty (30) days' written notice prior to cancellation of any insurance referred to under this Section 4.8. In addition the Contractor Proponent shall provide written notice to CMHC forthwith upon learning that an insurer described in this Section 4.8 intends to cancel, or intends to make or has made a material change to, any insurance referred to in this Section 4.8.

A Certificate of Insurance meeting the above requirements contained in the policies shall be delivered to CMHC upon execution of this Agreement and for each renewal thereafter. Upon

receipt of the Certificate of Insurance CMHC reserves the right to request a Certified copy of the Contractor's policy for review.

Without in any way restricting CMHC's direction to grant or withhold its consent to a request to subcontract, the Contractor agrees that it shall contractually obligate any subcontractor or independent contractor retained in connection with this Agreement to maintain insurance with an insurer licensed to do business in Canada against such risks and in such amounts that having regard to such subcontractor's or independent contractor's involvement in the provision of the Services could reasonably be expected to be carried by Persons acting prudently and in a similar business to that of such subcontractor or independent contractor.

It shall be the sole responsibility of the Contractor to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated herein, is necessary for its own protection or to fulfill its obligation under the contract.

All insurance policies shall be provided and maintained by the Contractor at its own expense.

#### **4.9. No Limitation**

No specific remedy expressed in the Agreement is to be interpreted as limiting the rights and remedies which CMHC may be entitled to under any Agreement or otherwise in law.

#### **4.10. Non-Compliance**

If the Contractor fails to comply with a direction or decision of CMHC properly given under the terms of the Agreement, CMHC may take such actions and incur such costs as are reasonably required to implement its direction including, without limitation, the engagement of another contractor and withholding of payment due to the Contractor for Services rendered, which moneys may be set off by CMHC against any expenses that it may incur in remedying a default or failures as described above.

#### **4.11. Force Majeure**

In the event that a Party is prevented from fulfilling its obligations under the terms of the Agreement by a force majeure or act of God (an event or effect that cannot be reasonably anticipated or controlled), the impacted Party shall notify the other Party in writing as soon as reasonably possible. The written notice shall be sent by registered mail and shall outline the circumstances that constitute a force majeure or an act of God, which may include, but are not limited to, war, serious public disturbances, impediments arising from orders or prohibitions of public authority, actions of public enemies, strikes, lockouts and other labour disputes, riots, flooding, hurricane, fire, explosion or any other natural disasters over which the Party has no reasonable control.

Where CMHC concludes, in its sole discretion, that the Contractor will not be able to fulfill its obligations under the Agreement, CMHC may secure the services of other qualified Contractors to perform the Services without further compensation or obligation to the Contractor.

#### **4.12. Non-Waiver**

Failure by either party to assert any of its rights under the Agreement shall not be construed as a waiver thereof.

#### **4.13. Laws Governing Agreement**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada as applicable. The parties attorn to the jurisdiction of the Federal Court or the courts of the Province of Ontario as appropriate in the circumstances.

The Contractor shall give all notices and obtain all licenses, permits and authorizations required to perform the Services. The Contractor shall comply with all the laws applicable to the services or the performance of the Agreement.

#### **4.14. Official Languages**

#### **MANDATORY**

The Contractor acknowledges and understands that CMHC is governed by the *Official Languages Act* and follows related Treasury Board Policies. The Contractor agrees to take any measures necessary to ensure compliance with the *Act* and those policies. When providing services to or communicating with CMHC employees, in person, over the phone or in writing (including electronic correspondence), the Contractor must actively offer bilingual services in and indicate clearly by verbal and/or visual means that employees can communicate with and obtain available services in either English or French. The Contractor must also ensure that there is sufficient capacity to provide services that are comparable in terms of quality and timeliness in both official languages.

#### **4.15. Access to CMHC Property**

The Agreement does not provide automatic access to CMHC premises. Where specified in the Agreement CMHC agrees to permit access by the Contractor's employees onto CMHC premises for the purpose of fulfilling its obligations as per the terms of this Agreement. However, CMHC reserves the right to refuse entry of Contractor's personnel for operational reasons. CMHC also will have the right at any time to remove from and/or refuse entry to its premises any incompetent or intemperate employee, or any employee who violates CMHC Safety and/or Security regulations or interferes with CMHC operations at the site.

#### **4.16. Suspension of Services and Changes in Specifications**

CMHC may, at any time and from time to time, order a suspension of the Services in whole or in part, and make modifications of, changes in or additions to the specifications of the type of Services offered and methods of delivery. All directions given by CMHC in writing with respect to the foregoing shall be complied with by the Contractor. If any such suspension, modification, change or addition results in an increase or decrease in the cost of the Services, the amount in Section 3.1 shall be adjusted accordingly, provided

that the Contractor shall in no event be entitled to compensation for any loss of anticipated profits and provided further that minor increases or decreases in cost shall be disregarded.

#### **4.17. Extras**

Except as otherwise provided in the Agreement, no payment for extras shall be made unless such extras and the price thereof have been authorized in writing by CMHC.

#### **4.18. Assignment of the Agreement**

The Agreement shall not be assigned in whole or in part by the Contractor without the prior written consent of CMHC, which may be withheld for any reason.

It is understood and agreed that the Contractor may engage other entities to assist with the Contractor in providing of the Services, provided that the Contractor shall at all times retain full responsibility for the provision and quality of the Services and acts in a manner which fully recognizes and respects the confidential nature of the Services. No purported assignment of the Agreement shall relieve the Contractor from any obligation under the Agreement or impose any liability upon CMHC.

#### **4.19. Closure of CMHC Offices or Suspension of Operations**

Where CMHC premises become inaccessible due to evacuation or closure because of events or circumstances beyond the control of CMHC, where the health or safety of persons on the premises may be reasonably determined by CMHC, in its sole judgment, to be at risk, or where CMHC operations are suspended, payment to the Contractor may be suspended or modified. Where the Contractor provides satisfactory evidence to CMHC that the Contractor will continue to incur monetary obligations to others directly as a result of its undertakings under this Agreement and is unable to mitigate its losses due to such obligations, CMHC may continue payment in full, or at a reduced amount, or suspend payment completely.

#### **4.20. Severability**

If any part of the Agreement is determined to be unenforceable by a competent authority, it may be severed from the Agreement so as to preserve the intentions of the Parties to the extent possible.

#### **4.21. Scope of Agreement**

This Agreement contains all of the agreements of the Parties and no other representations or warranties, verbal or otherwise, exist between the Parties except those set out herein or attached as Specifications, Conditions and Addendum and signed by both Parties. In case of conflicts between the Contractor's documents and CMHC's documents, the latter shall govern.

#### **4.22. Binding**

This Agreement shall be binding upon the Parties, their heirs, executors, administrators, successors and assigns.

### **Article 5.0 - Agreement Administration**

#### **5.1 Agreement Administrator**

Each Party shall assign an agreement administrator that will be responsible for overseeing the Agreement. The individuals named in Section 5.2 are the initial agreement administrators.

The Parties shall notify the other in writing in the event that the agreement administrator is changed. CMHC will notify the Contractor in writing of the names of any CMHC representatives who are authorized to assign jobs and approve payments with respect to the work carried out under this Agreement.

#### **5.2 Notices**

All invoices and notices issued under the Agreement shall be in writing and shall be forwarded via mail, courier or e-mail:

To CMHC at the following address:

#### **Canada Mortgage and Housing Corporation**

Name

Title

Room

700 Montreal Road

Ottawa, Ontario

K1A 0P7

Phone:

Email:

[Click here to enter text.](#) [Click here to enter text.](#)

To the Contractor at the following address:

**Phone:**

**Fax:**

**E-mail:**

**Article 6.0 - Documents comprising the Agreement**

**6.1** The documents which comprise the entire agreement between the Parties with respect to this matter consist of the following:

- (a) This form of Agreement as executed \_\_\_\_\_;
- (b) CMHC's Request for Proposal dated \_\_\_\_\_;
- (c) The Contractor's submitted Proposal dated \_\_\_\_\_; and

together with all written change notices issued by CMHC hereunder and such further specifications and documents as the parties may agree in writing.

**6.2** The documents comprising the Agreement are complementary and what is called for in any one shall be binding as if called for by all. The Agreement documents shall be interpreted as a whole and the intent of the whole shall govern. In the event of a conflict between them, the Agreement documents shall have precedence among themselves in the order as listed above.

***IN WITNESS WHEREOF*** this Agreement has been executed by duly authorized officers of the Parties as follows:

**THE CONTRACTOR**

**CANADA MORTGAGE AND  
HOUSING CORPORATION**

\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
  
\_\_\_\_\_

**Date:** \_\_\_\_\_ **Date:** \_\_\_\_\_



**SCHEDULE "A"**

**TERMS OF REFERENCE**

Intentionally left blank

- 1. Statement of Work**
- 2. Project Management**
- 3. Schedule of Tasks and Allocation of Staff by Phases**

**SCHEDULE "B"**

**MANNER OF PAYMENT**

If the Contractor is not in breach of any of its (his, her) obligations under this Agreement, the Contractor will be paid in accordance with the following schedule:

Intentionally left blank

**1. Upon the contractor having completed \_\_\_\_\_  
and upon submission and acceptance to the full satisfaction of CMHC of \_\_\_\_\_  
by \_\_\_\_\_ \$\_\_\_\_\_.**

The following appendices and schedules will be provided following receipt of the signed Confidentiality and Non-disclosure Agreement from the proponent:

- 7.10 APPENDIX J: Life and LTD Insurance Premium Rates
- 7.11 APPENDIX K: Health and Dental Insurance Premium Rates
- 7.12 APPENDIX L: Optional Life and Optional Critical Illness Insurance Premium Rates
- 7.13 APPENDIX M: Basic Life and LTD Plan 1 Retention
- 7.14 APPENDIX N: Optional Life and LTD Plans 2 and 3 Retention
- 7.15 APPENDIX O: Health and Dental Retention
- 7.16 SCHEDULE 1: Statement of Work Details
- 7.17 SCHEDULE 2: Benefits at a Glance
- 7.18 SCHEDULE 3: Plan Summary Details – Employee
- 7.19 SCHEDULE 4: Plan Summary Details – Retiree
- 7.20 SCHEDULE 5: Benefits Handbook for CMHC Employees
- 7.21 SCHEDULE 6: Benefits Handbook for CMHC Retirees
- 7.22 SCHEDULE 7: Premium Rate History
- 7.23 SCHEDULE 8: Financial Experience – Life and LTD
- 7.24 SCHEDULE 9: Financial Experience – Health and Dental
- 7.25 SCHEDULE 10: Waiver of Premium Reserves
- 7.26 SCHEDULE 11: Disabled Life Reserves
- 7.27 SCHEDULE 12: Census Data