

**RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:**

**Bid Receiving - PWGSC / Réception des
soumissions - TPSGC**

11 Laurier St./11, rue Laurier

Place du Portage, Phase III

Core 0A1 / Noyau 0A1

Gatineau

Québec

K1A 0S5

Bid Fax: (819) 997-9776

**REQUEST FOR PROPOSAL
DEMANDE DE PROPOSITION**

**Proposal To: Public Works and Government
Services Canada**

We hereby offer to sell to Her Majesty the Queen in right of Canada, in accordance with the terms and conditions set out herein, referred to herein or attached hereto, the goods, services, and construction listed herein and on any attached sheets at the price(s) set out therefor.

**Proposition aux: Travaux Publics et Services
Gouvernementaux Canada**

Nous offrons par la présente de vendre à Sa Majesté la Reine du chef du Canada, aux conditions énoncées ou incluses par référence dans la présente et aux annexes ci-jointes, les biens, services et construction énumérés ici sur toute feuille ci-annexée, au(x) prix indiqué(s).

Comments - Commentaires

Title - Sujet INSURANCE CLAIM SERVICES	
Solicitation No. - N° de l'invitation 08209-130150/A	Date 2013-11-15
Client Reference No. - N° de référence du client 08209-130150	
GETS Reference No. - N° de référence de SEAG PW-\$\$ZL-100-26583	
File No. - N° de dossier 100zL.08209-130150	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2013-12-06	Time Zone Fuseau horaire Eastern Standard Time EST
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Landreville, Vincent	Buyer Id - Id de l'acheteur 100zL
Telephone No. - N° de téléphone (819) 956-3907 ()	FAX No. - N° de FAX (819) 956-2675
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE 125 SUSSEX DR. OTTAWA Ontario K1A0G2 Canada	

Instructions: See Herein

Instructions: Voir aux présentes

Vendor/Firm Name and Address

Raison sociale et adresse du

fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution

Special Projects/Projets Spéciaux

11 Laurier St./11, rue Laurier

Place du Portage/, Phase III

Floor 10C1/Étage 10C1

Gatineau

Québec

K1A 0S5

Delivery Required - Livraison exigée See Herein	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date

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PART 1 - GENERAL INFORMATION

1. Security Requirement

There is a security requirement associated with the requirement. For additional information, consult Part 4 - Evaluation Procedures and Basis of Selection, and Part 6 - Resulting Contract Clause

2. Statement of Work

To provide DFATD on an as and when requested loss and damage claims administration services consistent with the Foreign Services Directives (FSDs).

The period of the Contract is from April 1, 2014 to March 31, 2016 with two(2) one (1) year option periods.

PART 2 - BIDDER INSTRUCTIONS

1. Standard Instructions, Clauses and Conditions

All instructions, clauses and conditions identified in the bid solicitation by number, date and title are set out in the Standard Acquisition Clauses and Conditions Manual issued by Public Works and Government Services Canada.

Bidders who submit a bid agree to be bound by the instructions, clauses and conditions of the bid solicitation and accept the clauses and conditions of the resulting contract.

The 2003 (2008-12-12) Standard Instructions - Goods or Services - Competitive Requirements, are incorporated by reference into and form part of the bid solicitation.

Subsection 4.4 of 2003, Standard Instructions - Goods or Services - Competitive Requirements, is amended as follows:

Delete: sixty (60) days

Insert: one hundred and twenty (120) days

2. Submission of Bids

Bids must be submitted only to Public Works and Government Services Canada (PWGSC) Bid Receiving Unit by the date, time and place indicated on page 1 of the bid solicitation.

Due to the nature of the bid solicitation, bids transmitted by facsimile or electronic mail to PWGSC will not be accepted.

3. Enquiries - Bid Solicitation

All enquiries must be submitted in writing to the Contracting Authority no later than five (5) calendar days before the bid closing date. Enquiries received after that time may not be answered.

Bidders should reference as accurately as possible the numbered item of the bid solicitation to which the enquiry relates. Care should be taken by bidders to explain each question in sufficient detail in order to enable Canada to provide an accurate answer. Technical enquiries that are of a proprietary nature must be clearly marked "proprietary" at each relevant item. Items identified as "proprietary" will be treated as such except where Canada determines that the enquiry is not of a proprietary nature. Canada may edit the questions or may request that the Bidder do so, so that the proprietary nature of the question is eliminated, and the enquiry can be answered with copies to all bidders. Enquiries not submitted in a form that can be distributed to all bidders may not be answered by Canada.

4. Applicable Laws

Any resulting contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in Province of Ontario.

Bidders may, at their discretion, substitute the applicable laws of a Canadian province or territory of their choice without affecting the validity of their bid, by deleting the name of the Canadian province or territory specified and inserting the name of the Canadian province or territory of their choice. If no change is made, it acknowledges that the applicable laws specified are acceptable to the bidders.

PART 3 - BID PREPARATION INSTRUCTIONS

1. Bid Preparation Instructions

Canada requests that bidders provide their bid in separately bound sections as follows:

- Section I: Technical Bid (3 hard copies);
- Section II: Financial Bid (2 hard copies);
- Section III: Certifications of Part 5 (2 hard copies); and
- Section IV: Additional Information (2 hard copies). If applicable

This bid solicitation uses Portable Document Format (PDF) technology. To access the PDF form, bidders must have a PDF reader installed. If bidders do not already have such a reader, there are several PDF readers available on the Internet. It is recommended to use the latest version of PDF reader to benefit all features of the interactive forms.

Prices must appear in the financial bid only. No prices must be indicated in any other section of the bid.

Canada requests that bidders follow the format instructions described below in the preparation of their bid:

- (a) use 8.5 x 11 inch (216 mm x 279 mm) paper; and
- (b) use a numbering system that corresponds to the bid solicitation.

In April 2006, Canada issued a policy directing federal departments and agencies to take the necessary steps to incorporate environmental considerations into the procurement process Policy on Green Procurement (<http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/achats-procurement/politique-policy-eng.html>).

To assist Canada in reaching its objectives, bidders are encouraged to :

- 1) use paper containing fibre certified as originating from a sustainably-managed forest and/or containing minimum 30% recycled content; and
- 2) use an environmentally-preferable format including black and white printing instead of colour printing, printing double sided/duplex, using staples or clips instead of cerlox, duotangs or Binders.

Section I: Technical Bid

- a) Bidders must complete their technical bid by using the PDF fillable form in Attachment 1 to Part 3 - Technical Bid.
- b) Bidders should complete the interactive form electronically before printing the document for submission.
- c) Part 4, Evaluation Procedures, contains additional instructions that bidders must consider when preparing their technical bid.

Section II: Financial Bid

- 1. Bidders must submit their financial bid in Canadian funds and in accordance with the pricing schedule detailed in Attachment 2 to Part 3. Bidder must print (2 copies) and sign completed

attachment.

2. Bidders must submit their rates, FOB destination; Canadian customs duties and excise taxes included, as applicable; and GST or HST excluded. The total amount of Goods and Services Tax (GST) or Harmonized Sales Tax (HST) must be shown separately, as applicable.
3. When preparing their financial bid, bidders should review the basis of payment in Annex B and clause 1.2, Financial Evaluation, of Part 4.

Section III & IV: Certifications and Additional Information

In Section III & IV of their bid, Bidders should provide the certifications required under Part 5 and, as applicable, any related documentation and Additional Information.

- a) Bidders must complete their Certifications and Additionnal Information by using the PDF fillable form in Attachment 3 to Part 3 - Certifications and Additional Information.
- b) Bidders should complete the interactive form electronically before printing the document for submission. Bidders should note that simply printing the document prior to completing it electronically may omit certain fields that would appear when filling out the form electronically, resulting in incomplete Certifications.
- c) The form must be signed.

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ATTACHMENT 1 TO PART 3

Technical Bid

See attached PDF fillable Form - Attachment 1 to part 3 - technical bid.pdf

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ATTACHMENT 2 TO PART 3

Pricing Schedule

See attached ExcelTM Workbook - Attachment 2 to part 3 - pricing schedule.xls

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ATTACHMENT 3 TO PART 3

Certifications and Additional Information

See attached PDF fillable Form - Attachment 3 to part 3 - certifications.pdf

PART 4 - EVALUATION PROCEDURES AND BASIS OF SELECTION

1. Evaluation Procedures

- (a) Bids will be assessed in accordance with the entire requirement of the bid solicitation including the technical evaluation criteria.
- (b) An evaluation team composed of representatives of Canada will evaluate the bids.

1.1. Technical Evaluation

(a) Experience of the Bidder

Except where expressly provided otherwise, the experience described in the bid must be the experience of the Bidder itself (which includes the experience of any companies that formed the Bidder by way of a merger but does not include any experience acquired through a purchase of assets or an assignment of contract). The experience of the Bidder's affiliates (i.e. Parent, subsidiary or sister corporations), subcontractors, or suppliers will not be considered.

1.2. Mandatory Technical Criteria

Criteria Number	Evaluation Criteria	Bid Preparation Instructions
MT1	<p>The bidder must demonstrate it has experience in implementing, administering and handling of at least three (3) claims administration projects for *external clients, from September 1, 2003 to September 1, 2008 years.</p> <p>*External client refers to a client that is external to the Supplier's own organization. Parent companies, affiliates, and subsidiaries are considered internal)</p>	<p>In order to demonstrate the acquired experience for each of the four (4) projects, the Bidder <u>must</u> provide the following information:</p> <ul style="list-style-type: none">i. the name of client organization to whom the services were rendered;ii. the description of the work performed;iii. the period (month/year to month/year) from which the services were provided. <p>The following information <u>should</u> be provided:</p> <p>A substantiation reference: An acceptable substantiation reference is defined as a client reference who may be contacted, at Canada's discretion, to confirm the Bidder has previously provided the services identified. For each substantiation reference, the bidder should provide the following information: Contact Name, Contact Telephone number and contact e-mail address (if available). Where Canada determines that the bidder has not provided the contact information for the substantiation reference as requested, Canada will provide Bidder with 48 hours within which to submit information acceptable to Canada.</p>

MT2	<p>The bidder must demonstrate the following for <u>each</u> of the three (3) projects listed in M1 within a 12 month period:</p> <p>(a) a minimum of 200 claims</p> <p>(b) minimum loss adjusted settlement value of \$200,000.00.</p>	<p>In order to demonstrate the acquired experience, the bidder must provide the following for <u>each</u> claims project:</p> <p>i. the number of claims processed</p> <p>ii. the aggregate settlement value of the claims.</p>
MT3	<p>The bidder must demonstrate it has processed a minimum total of 50 storage claims concerning the loss of personal or household effects.</p> <p>*The 50 claims must be from one of the projects listed in M1 either combined or considered individually</p>	<p>In order to demonstrate the acquired experience, the bidder must provide the following:</p> <p>i. the total number claims processed for the applicable project(s)</p>
MT4	<p>The Bidder must demonstrate it has experience in two (2) of the following types of claims for at least two (2) of the four (4) projects list in M1:</p> <p>(a) storage; or</p> <p>(b) air transportation; or</p> <p>(c) marine transportation, or</p> <p>(d) road transportation claims.</p>	<p>In order to demonstrate the acquired experience, the bidder must provide the following:</p> <p>i. The type(s) of claims provided for each applicable project</p>
MT5	<p>The Bidder must demonstrate it has issued at least 200 cheques within a twelve (12) month period for the settlement and payment of claims for at least one (1) of the three (3) projects listed in M1.</p>	<p>In order to demonstrate the acquired experience, the bidder must provide the following:</p> <p>i. The number cheques issued for the applicable project(s)</p>
MT6	<p>The Bidder must demonstrate it has involved the services of an insurance adjuster for at least one (1) of the three (3) projects listed in M1.</p>	<p>In order to demonstrate the acquired experience, the bidder must provide the following:</p> <p>i. A detailed description of the role and responsibilities of the insurance loss adjuster in regards to the applicable claims project</p> <p>ii.</p>
MT7	<p>The bidder must demonstrate it</p>	<p>In order to demonstrate the acquired experience,</p>

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	<p>has experience in the handling of the repair and/or restoration of damaged items in at least three (3) of following categories:</p> <p>(a) Furnishings (b) electronics (c) appliances (d) artwork (e) vehicles (f) major catastrophe restoration.</p>	<p>the bidder <u>must</u> provide the following:</p> <p>i. the item's category and description of the repair or restoration;</p>
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1.3. Financial Evaluation

- (a) For bid evaluation and contractor(s) selection purposes only, the evaluated price of a bid will be determined in accordance with the Pricing Schedule detailed in Attachment 1 to Part 3.
- (b) Any estimated level of services specified in the pricing schedule detailed in Attachment 2 to Part 3 is provided for bid evaluated price determination purposes only. It is only an approximation of the requirements and is not to be considered as a contract guarantee.

1.4. SACC Manual Clauses

- (a) A0220T(2007-05-25), Evaluation of Price

2. Basis of Selection - Lowest Evaluated Price

2.1 Basis of Selection - Lowest Responsive Evaluated Price

To be declared responsive, a bid must:

- (a) Comply with all the requirements of the bid solicitation;
- (b) Meet all the mandatory evaluation criteria.

Bids not meeting (a) or (b) will be declared non-responsive. Neither the responsive bid obtaining the highest number of points nor the one with the lowest evaluated price will necessarily be accepted.

3. Security Requirement

3.1 Before award of a contract, the following conditions must be met:

- (a) the Bidder must hold a valid organization security clearance as indicated in Part 6 - Resulting Contract Clauses;
- (b) the Bidder's proposed individuals requiring access to classified or protected information, assets or sensitive work site(s) must meet the security requirement as indicated in Part 6 - Resulting Contract Clauses;
- (c) the Bidder must provide the name of all individuals who will require access to classified or protected information, assets or sensitive work sites.

3.2 Canada will not delay the award of any contract to allow bidders to obtain the required clearance.

3.3 For additional information on security requirements, bidders should consult the "Security Requirements for PWGSC Bid Solicitations - Instructions for Bidders" (<http://www.tpsgc-pwgsc.gc.ca/app-acq/lc-pl/lc-pl-eng.html#a31>) document on the Departmental Standard Procurement Documents Website.

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PART 5 - CERTIFICATIONS

Bidders must provide the required certifications and documentation to be awarded a contract.

The certifications provided by bidders to Canada are subject to verification by Canada at all times. Canada will declare a bid non-responsive, or will declare a contractor in default, if any certification made by the Bidder is found to be untrue whether during the bid evaluation period or during the contract period.

The Contracting Authority will have the right to ask for additional information to verify the Bidders certifications. Failure to comply with this request will also render the bid non-responsive or will constitute a default under the Contract.

Bidders must complete their certifications required under Part 5 by using the Attachment 3 to Part 3.

PART 6 - RESULTING CONTRACT CLAUSES

The following clauses and conditions apply to and form part of any contract resulting from the bid solicitation.

1. Security Requirement

1. The Contractor/Offeror must, at all times during the performance of the Contract/Standing Offer, hold a valid **Designated Organization Screening (DOS) with approved Document Safeguarding at the level of PROTECTED A**, issued by the Canadian Industrial Security Directorate, Public Works and Government Services Canada.
2. The Contractor/Offeror personnel requiring access to **PROTECTED** information, assets or work site(s) must **EACH** hold a valid **RELIABILITY STATUS**, granted or approved by the Canadian Industrial Security Directorate (CISD), Public Works and Government Services Canada (PWGSC).

Until the security screening of the Contractor/Offeror personnel required by this Contract/Standing Offer has been completed satisfactorily by the Canadian Industrial Security Directorate, Public Works and Government Services Canada, the Contractor/Offeror personnel **MAY NOT HAVE ACCESS** to (CLASSIFIED/PROTECTED) information or assets, and **MAY NOT ENTER** sites where such information or assets are kept, without an escort.

3. The Contractor **MUST NOT** utilize its **Information Technology** systems to electronically process, produce or store **PROTECTED** information until the CISD/PWGSC has issued written approval. After approval has been granted or approved, these tasks may be performed at the level of **PROTECTED A**.
4. Subcontracts which contain security requirements are **NOT** to be awarded without the prior written permission of CISD/PWGSC.
5. The Contractor/Offeror must comply with the provisions of the:
 - (a) Security Requirements Check List and security guide (if applicable), attached at Annex C;
 - (b) *Industrial Security Manual* (Latest Edition)

The following clauses and conditions apply to and form part of any contract resulting from the bid solicitation.

2. Statement of Work

The Contractor must perform the Work described in the Contract and as detailed in Annex A, Statement of Work.

2.1 Optional Services

The Contractor grants to Canada the irrevocable option to acquire the services described at Annexe A of the Contract under the same conditions and at the prices and/or rates stated in the Contract. The option may only be exercised by the Contracting Authority and will be evidenced, for administrative purposes only, through a contract amendment.

The Contracting Authority may exercise the option at any time before the expiry of the Contract by sending a written notice to the Contractor.

2.2 Task Authorization

2.2.1 Work described at Annex A will be performed under the Contract on an "as and when requested basis".

2.2.2 With respect to the Work mentioned under paragraph 2.2.1 of this clause,

2.2.2a) an obligation will come into force only when the Contractor receives a Task Authorization (TA), inclusive of any revisions, authorized and issued in accordance with this clause, and only to the extent designated in the authorized TA;

2.2.2b) the TA Authority and limit will be determined in accordance with paragraph 2.2.3 of this clause;

2.2.2c) the Contractor must not commence work until a TA, inclusive of any revisions, has been authorized and issued in accordance with the Contract. The Contractor acknowledges that work performed before a TA, inclusive of any revisions, has been authorized and issued in accordance with the Contract will be done at the Contractor's own risk and expense;

2.2.2d) the task description, inclusive of any revisions, included in an authorized TA must fall within the scope of the Statement of Work, in Annex A and

2.2.2e) the TA, inclusive of any revisions, will be authorized under the Contract through the use of Annex signed by the TA Authority.

2.2.3 TA Authority and Limit

2.2.3.1 "The Project Authority may authorize individual TAs inclusive of any revisions up to a limit of \$_____, Applicable Taxes extra. Any TA the total value of which would exceed that limit or any revision to a previously authorized TA that would increase the TA total value above that limit must be authorized by the Contracting Authority before issuance to the Contractor."

2.2.3.2 The authority specified under paragraph 2.2.3.1 of this clause is granted subject to the sum specified in the Contract under clause _____, Limitation of Expenditure - Cumulative Total of all authorized TAs Limitation of Expenditure - Portion of the Work - Cumulative Total of all authorized TAs,") not being exceeded.

2.2.4 Periodic Usage Reports - Contracts with Tas

2.2.4.1 The Contractor must compile and maintain detailed and current data on its performance of Work required and requested under TAs (inclusive of any revisions) authorized and issued under the Contract.

2.2.4.2 No later than 15 calendar days after the end of each of the reporting periods below, the Contractor must submit to the Contracting Authority and Project Authority a periodic usage report containing, in an electronic spreadsheet (such as MSOffice Excel), the data elements specified in paragraphs 1.2.8.3 and 1.2.8.4 below in the order they are presented. Where at the end of a reporting period, no changes are required to be made to the data contained in the periodic usage report submitted for the previous period, the Contractor must submit a "NIL" report to the Contracting Authority and Project Authority.

The reporting periods are defined as follows:

1st quarter: April 1 to June 30;
2nd quarter: July 1 to September 30;
3rd quarter: October 1 to December 31; and
4th quarter: January 1 to March 31.

A sample MSOffice spreadsheet containing the data elements contained in paragraphs 1.2.8.3 and 1.2.8.4 is provided in Annex A

2.2.4.3 For each TA authorized and issued under the Contract, the data must contain the following data elements in the order presented:

- the TA number appearing on the TA form;
- the date the task was authorized appearing on the TA form;
- the total estimated cost of the task (Applicable Taxes extra) before any revisions appearing on the TA form;
- the following information appearing on the TA form must be included for each authorized revision, starting with revision 1, than 2, etc:
 - the TA revision number;
 - the date the revision to the task was authorized;
 - the authorized increase or decrease (Applicable Taxes extra);
 - the total estimated cost of the task (Applicable Taxes extra) after authorization of the revision;
 - the total cost incurred for the task (as last revised, as applicable), Applicable Taxes extra;

-
- the total cost incurred and invoiced for the task (as last revised, as applicable), Applicable Taxes extra;
 - the total amount of Applicable Taxes invoiced;
the total amount paid, Applicable Taxes included;
 - the start and completion date of the task (as last revised, as applicable); and
 - the active status (i.e., the percentage of the work completed) of the task (as last revised, as applicable) with an explanation (as applicable).

2.2.4.4 For all TAs authorized and issued under the Contract, the data must contain the following data elements in the order presented:

- the sum (Applicable Taxes extra) specified in clause Limitation of Expenditure Limitation of Expenditure - Portion of the Work - Cumulative Total of all Authorized TA of the Contract (as last amended)
 - the total cost incurred for all authorized tasks inclusive of any revisions, Applicable Taxes extra;
 - the total cost incurred and invoiced for all authorized tasks inclusive of any revisions, Applicable Taxes extra;
 - the total amount of Applicable Taxes invoiced for all authorized tasks inclusive of any revisions; and
 - the total amount paid for all authorized tasks inclusive of any revisions, Applicable Taxes extra.

2.3 SACC Manual Clauses

A9094C (2010-08-16), Pre-contractual Work - Not Authorized

3. Standard Clauses and Conditions

All clauses and conditions identified in the Contract by number, date and title are set out in the [Standard Acquisition Clauses and Conditions Manual](https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual) (<https://buyandsell.gc.ca/policy-and-guidelines/standard-acquisition-clauses-and-conditions-manual>) issued by Public Works and Government Services Canada.

3.1 General Conditions

2035 (2013-06-27), General Conditions - Higher Complexity - Services, apply to and form part of the Contract.

4. Term of Contract

4.1 Period of the Contract

The period of the Contract is from April 1, 2014 of Contract to March 31, 2016 inclusive.

4.2 Option to Extend the Contract

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to 2 additional¹ year period(s) under the same conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions as set out in the Basis of Payment.

Canada may exercise this option at any time by sending a written notice to the Contractor at least 30 calendar days before the expiry date of the Contract. The option may only be exercised by the

Contracting Authority, and will be evidenced for administrative purposes only, through a contract amendment.

4.3 Termination on Thirty Days Notice

1. Canada reserves the right to terminate the Contract at any time in whole or in part by giving thirty (30) calendar days written notice to the Contractor.
2. In the event of such termination, Canada will only pay for costs incurred for services rendered and accepted by Canada up to the date of the termination. Despite any other provision of the Contract, there will be no other costs that will be paid to the Contractor as a result of the termination.

5. Authorities

5.1 Contracting Authority

The Contracting Authority for the Contract is:

Name: Vincent Landreville
Title: Supply Team Leader
Public Works and Government Services Canada
Acquisitions Branch
Directorate: SPID ZL Division
Address 11 Laurier Ave
Telephone: 819-956-3907
Facsimile: 819-956-2675
E-mail address: vincent.landreville@pwgsc.gc.ca

The Contracting Authority is responsible for the management of the Contract and any changes to the Contract must be authorized in writing by the Contracting Authority. The Contractor must not perform work in excess of or outside the scope of the Contract based on verbal or written requests or instructions from anybody other than the Contracting Authority.

5.2 Project Authority

The Project Authority for the Contract is: *To be determined at contract award*

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100zl
CCC No./N° CCC - FMS No./N° VME

Name: _____
Title: _____
Organization: _____
Address: _____
Telephone: ____-____-____
Facsimile: ____-____-____
E-mail address: _____

The Project Authority is the representative of the department or agency for whom the Work is being carried out under the Contract and is responsible for all matters concerning the technical content of the Work under the Contract. Technical matters may be discussed with the Project Authority; however, the Project Authority has no authority to authorize changes to the scope of the Work. Changes to the scope of the Work can only be made through a contract amendment issued by the Contracting Authority.

5.3 Contractor's Representative

Notice to the Bidder: If the selected Bidder provided (in accordance with the article 3 of Part 2) information on its status with respect to being a Former Public Servant in receipt of a Public Service Superannuation Act (PSSA) pension, the full text of SACC Manual clause A3025C (2013-03-21), Proactive Disclosure of Contracts with Former Public Servants, will form part of the Contract as article 6, and the articles below will be renumbered accordingly.

6. Payment

6.1 Basis of Payment

6.1 Limitation of Expenditures

The Contractor will be reimbursed for the costs reasonably and properly incurred in the performance of the Work, as determined in accordance with the Basis of Payment in Annex B to a limitation of expenditure of \$_____.

6.2 Canada's Total Liability

6.2.1.

Canada's total liability to the Contractor under the Contract must not exceed \$ _____.
Customs duties are included and Applicable Taxes are extra.

6.2.2. No increase in the total liability of Canada or in the price of the Work resulting from any design changes, modifications or interpretations of the Work, will be authorized or paid to the Contractor unless these design changes, modifications or interpretations have been approved, in writing, by the Contracting Authority before their incorporation into the Work. The Contractor must not perform any work or provide any service that would result in Canada's total liability being exceeded before obtaining the written approval of the Contracting Authority. The Contractor must notify the Contracting Authority in writing as to the adequacy of this sum:

- (a) when it is 75 percent committed, or
- (b) four (4) months before the Contract expiry date, or

(c) As soon as the Contractor considers that the contract funds provided are inadequate for the completion of the Work,

whichever comes first.

6.2.3. If the notification is for inadequate contract funds, the Contractor must provide to the Contracting Authority a written estimate for the additional funds required. Provision of such information by the Contractor does not increase Canada's liability.

6.3 Method of Payment

- (a) Canada will pay the Contractor **on a monthly basis** for work performed during the month covered by the invoice in accordance with the payment provisions of the Contract if:
- (i) an accurate and complete invoice and any other documents required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract;
 - (ii) all such documents have been verified by Canada;
 - (iii) the Work performed has been accepted by Canada.

6.4 SACC Manual Clauses

A9117C (2007-11-30), T1204 - Direct Request by Customer Department

6.5 Discretionary Audit

C0705C (2010-01-11), Discretionary Audit

7. Invoicing Instructions

- 7.1. The Contractor must submit invoices in accordance with the section entitled "Invoice Submission" of the general conditions. Claims cannot be submitted until all work identified in the claim is completed.
- (a) Each claim must be supported by:
- (i) a copy of the release document and any other documents as specified in the Contract;
 - (ii) a copy of the invoices, receipts, vouchers for all direct expenses, and all travel and living expenses;
 - (iii) a copy of the monthly progress report.
- (b) Claims must be distributed as follows:

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- (i) The original and one (1) copy must be forwarded to the address shown on page 1 of the Contract for certification and payment.
 - (ii) One (1) copy must be forwarded to the Contracting Authority identified under the section entitled "Authorities" of the Contract.

8. Certifications

8.1 Compliance

Compliance with the certifications and related documentation provided by the Contractor in its bid is a condition of the Contract and subject to verification by Canada during the term of the Contract. If the Contractor does not comply with any certification, provide the related documentation or if it is determined that any certification made by the Contractor in its bid is untrue, whether made knowingly or unknowingly, Canada has the right, pursuant to the default provision of the Contract, to terminate the Contract for default.

8.2 Federal Contractors Program for Employment Equity - Default by the Contractor

The Contractor understands and agrees that, when an Agreement to Implement Employment Equity (AIEE) exists between the Contractor and HRSDC-Labour, the AIEE must remain valid during the entire period of the Contract. If the AIEE becomes invalid, the name of the Contractor will be added to the "[FCP Limited Eligibility to Bid](#)" list. The imposition of such a sanction by HRSDC will constitute the Contractor in default as per the terms of the Contract.

9. Applicable Laws

The Contract must be interpreted and governed, and the relations between the parties determined, by the laws in force in Ontario.

10. Priority of Documents

If there is a discrepancy between the wording of any documents that appear on the list, the wording of the document that first appears on the list has priority over the wording of any document that subsequently appears on the list.

- (a) the Articles of Agreement;
- (b) 2010C (2008-12-12) General Conditions - Services (Medium Complexity);
- (c) Annex A, Statement of Work;
- (d) Annex B, Basis of Payment;
- (e) Annex C, Experience substantiation;
- (f) Annex D, Security Requirements Check list; and
- (g) the Contractor's bid dated _____.

ANNEX "A"

STATEMENT OF WORK

LOSS AND DAMAGE CLAIMS ADMINISTRATION FOREIGN SERVICE DIRECTIVES

A. BACKGROUND

A1 Foreign Service Directives:

- A1.01 The Foreign Service Directives (FSDs), as amended from time to time, were developed in partnership by DFATD, Treasury Board Secretariat and bargaining agent representatives and approved by the National Joint Council (NJC). Its provisions form part of the collective agreements of the participating parties under the By-Laws of the NJC. The provisions also apply to persons not covered by collective agreements as indicated in the Directive or by DFATD policy.
- A1.02 FSD 15.19 through 15.27, attached as Attachment 1 to Annex 'A', prescribes procedures and coverage related to damage and loss to personal effects, in transit from Ottawa to foreign posts, from foreign posts to Ottawa and between foreign posts and while in long-term storage in Canada.
- A1.03 The FSDs are subject to cyclical review. The timing of the cyclical review is determined by the NJC. The version of the FSDs in place at the time of settlement of the claim shall apply to this contract.
- A1.04 Where the FSDs are unclear, industry practice is considered to be the guideline.
- A1.05 The provisions of the loss/damage directive apply to the authorized transportation/storage of household goods and vehicles for employees of other government departments/agencies for which there is an agreement between DFATD and the OGD/Agency for DFATD to administer the Foreign Services Directives on behalf of the OGD/Agency.

A2 Estimated number of Files, Claims and Payments:

- A2.01 The average number of files created annually is 290.
- A2.02 The estimated number of payments per year is 885 as multiple payments may be made for the same claim. Claims relate to damage or loss of personal, household effects and vehicles in-transit for which road is the mode of transport or in storage.
- A2.03 The average annual payouts to claimants is \$1320.00 per claim.

A3 Catastrophic Damage or Loss

- A3.01 The Government of Canada has contracted for catastrophic insurance coverage for personal effects in long-term storage. In the event of a catastrophic loss, the Contractor shall be responsible, in cooperation with the insurer, to ensure fair settlement of claims on behalf of affected employees. Note that employees with goods in storage are resident abroad and may

not have the opportunity to inspect damage and that employees have the right to claim through the Contractor for any difference between the settlement by the insurer and coverage specified in the FSD.

A4 Definitions

FSD - Foreign Services Directive

NJC - National Joint Council

PMV - Personal motor Vehicle

HHE - Household effects

DFATD - Department of Foreign Affairs, Trade and Development Canada

NCR - National Capital Region

B. REQUIREMENTS (DELIVERABLES)

B1 Processing Claims

B1.01 The Contractor must accept and process claims for loss and damage from foreign service employees in respect of:

- (a) long term storage in Canada (in most cases in NCR) and transport to or from the employee's residence;
- (b) transit between Canada (normally NCR) and foreign locations, including transport from or to the employee's residence;
- (c) transit between foreign locations and Canada (normally NCR) including transport from or to the employee's residence at either end;
- (d) transit between foreign locations including transport from and to the employee's residence at either end;
- (e) loss or damage to employees' household effects (HHE) occasioned by a natural disaster, civil unrest or emergency evacuation;
- (f) shipment of employees' dependent children's personal effects for purposes of schooling authorized under the FSD;
- (g) loss/damage to employees Personal Motor Vehicle (PMV)
- (h) damage or loss to HHE approved for shipment pursuant to the supplementary and/or subsequent shipment provisions of the relocation FSD;

B2 Adjusting Claims

B2.01 The Contractor must adjust claims in accordance with the provisions, exclusions and limitations as set out in the Foreign Service Directives (FSDs) and in accordance with the following guidelines:

- (a) for claims from \$0.01 to \$499.99, telephone or desk adjustment of claims;

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- (b) for claims from \$500 to \$1,999.99, telephone or desk adjustment of claims wherever possible, except that local on-site Claims Assessors should be employed wherever furniture repairs are involved or where there is a question as to whether damage is related to the relocation;
 - (c) for claims from \$2,000 to \$4,999.99, the Contractor must engage the services of Claims Assessors to provide repair estimates or undertake repairs unless the Contractor can substantiate that this service is not required;
 - (d) for claims over \$5,000, a loss-adjustment report must be prepared, unless the Contractor can demonstrate that loss adjusting services are not required. In support of this recommendation the Contractor must submit a report prepared by the local on-site Claims Assessors; and
 - (e) Claims Assessors may be defined as entities that are not officially licensed as Claims Adjusters, but have demonstrated a minimum of two (2) years consecutive experience in the handling and processing of property, transportation and storage claims in the assessment of damage and repair of personal property and household goods. Claims assessors are also well versed with insurance industry claims settlement processes and procedures.

B3 Settlement of Cheques

B3.01 The Contractor must issue settlement cheques to employees as follows:

- (a) for claims up to and including \$5,000.00, the Contractor must issue settlement cheques to employees, in accordance with the provisions of the Foreign Service Directives. Settlement time normally should not exceed 10 working days after receipt of the required documentation, i.e. employee's claim documentation including receipts and, when applicable, copies of adjuster reports, repair estimates or other necessary documentation;
- (b) for claims over \$5,000.00, the Contractor must submit a claim to the Project Authority in writing for authorization prior to settlement with the employee. The claim should include all relevant supporting claims documentation. Processing time prior to submission for authorization should normally not exceed 10 working days after receipt of the required documentation, i.e. Employee's claim documentation including receipts and, when applicable, copies of adjuster reports, repair estimates or other necessary documentation. Processing time after authorization should not normally exceed 5 working days.

B4 Subrogation and Salvage

B4.01 The Contractor must pursue subrogation and salvage where appropriate:

- (a) subrogation is the financial recovery from a third party for their legal and/or assessed liability for the property loss;
- (b) salvage is disposal of household effects/property of the employee when the item is replaced and/or the insured is given a depreciated cash value settlement;
- (c) the Contractor may retain 50% of both subrogation and salvage as incentive, and;

- (d) with regard to salvage, the Contractor or their authorized agent must act as the selling agent for the Crown

B5 Communication

- B5.01 The Contractor must provide, on a global access basis, a toll free telephone communication facility and/or a collect telephone response service between the hours of 08:00 to 16:00 EST (Monday to Friday), e-mail access, and access to an internet website. The internet website must contain, but is not limited to, contact information, hours of operation, procedural requirements and the forms in a down-loadable format for use by employees (claimants).
- B5.02 The Contractor must provide bilingual written information on claims procedures to be used as hand-outs for employees and moving companies. The contractor would also be expected, on and as required basis, to respond to inquiries.

B6 Management Information Reports

- B6.01 The Contractor must maintain a database on all DFATD loss and damage claims.

- B6.02 The database must include, as a minimum, the following information:

Amount of claim	Location of responsible carrier
Carrier responsible for loss/damage	Location where loss ocured
Claim number	Member's/employee's name
Claim status	Name of moving/Storage company
Claims administration charges	Payments to full service claims coordinators
Date of claim	Settlement amount
Date of loss	Type of claim
Date of settlement payment	Payment to loss adjusters
Details of monthly subrogation revenue by employee, or carrier Nature of loss/damage	Record of frequent claims and claimants
	Receipts from salvage

- B6.03 The Contractor must produce monthly Management Information reports, as detailed above from the database, in electronic format.
- B6.04 The monthly Management Information reports must be based on the fiscal year from April 1st to March 31st, and include cumulative year-to-date totals.
- B6.05 The Contractor must have the capacity to generate a number of ad hoc Management Information reports and deliver such reports within 48 hours of request. The number of ad hoc reports requested must not exceed one report per quarter or four (4) reports per year.
- B6.06 The Contractor must provide a Monthly Loss Bordereau Report to declare all losses and/or damage claims paid during the month. The report must be sorted by fiscal year, type of liability, department and claim number. All the current month's information must be taken from the

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database noted above in paragraph B7.02. The template of the Monthly Loss Bordereau Report is attached as Attachment 2 to Annex "A" - Statement of Work.

B6.07 The Contractor must provide on a quarterly basis a Claims Summary Report which must include all information, documentation detailed in B7.02.

-
- B6.08 In processing claims, the Contractor must alert the Project Authority to any anomalies or trends that become apparent (i.e. multiple water damage claims at warehouse X), claims which suggest surreptitious or concealed entry.
- B6.09 The Contractor must provide quarterly reports to the Project Authority of any complaints lodged by clients regarding process, claims, payments, the resulting outcome/resolution of same, and any inconsistencies in claims made by the insured.
- B6.10 The contractor must provide DFATD with a copy of current and up-dated insurance industry approved depreciation tables.

B7 Other Responsibilities

- B7.01 The Contractor must provide, on a pro-active basis and/or as required, written recommendations to the Project Authority for the purpose of reducing the number, frequency and severity of claims.
- B7.02 The Contractor must liaise, on a regular basis, with the Project Authority to ensure that all activities are performed in an efficient, cost effective manner.

C. PROPOSED PROCEDURES

C1 Notice of Claim

- C1.01 The Employee (Claimant) must, within 30 days of receipt of shipment, file a Notice of Intent to claim with the last carrier and the Contractor.
- C1.02 The Contractor must, within 5 days of receipt of the Notice of Intent to Claim, open a file, acknowledge receipt of the Notice of Intent to Claim, and provide claim forms and detailed instructions on how to complete the forms and supporting documentation requirements.
- C1.03 The Contractor must verify with DFATD in writing that they can proceed with the claim for each employee.

C2 Subrogation

- C2.01 In Canada and the U.S., the Contractor must, where appropriate, follow up with the last carrier on behalf of the employee concerning subrogation. Outside Canada and the U.S., follow-up shall be the responsibility of the employee, unless otherwise indicated by the Project Authority.

C3 Claim form

- C3.01 The Employee shall within 90 days of receipt of shipment, provide the Contractor with a completed claim form, copies of their personal inventory related to the damaged/missing or lost items and the moving companies inventory of items shipped and/or placed in long term storage.

C4 Follow-up

C4.01 The Contractor must follow up with the employee within 5 working days of receipt of the claim regarding any missing information/documentation required to process the claim.

C4.02 The Contractor must, no less than 120 days prior to the expiration of the applicable statute of limitations in the applicable jurisdiction given in the Statement of Work (loss/damage/directive), follow up in writing with the Claimant. This follow up must address any claim regarding the following:

- (1) non-receipt of documentation, receipts, estimates etc;
- (2) serve as notice to employee that they have up to 30 days to provide the items in (1) above and/or confirm that they want items put on hold for repair/replacement until their return to Canada.

C5 Repair Surveys and Estimates

C5.01 The Contractor must ensure that repair surveys/estimates are completed within seven (7) working days of the site visit.

C5.02 The Contractor must ensure that Adjustment reports are completed within 21 working days.

C6 Claim with Carrier

C6.01 The Contractor must, no less than 60 calendar days prior to the expiration of the applicable statute of limitations with respect to subrogation, file a claim with the carrier deemed to have legal and/or assessed liability for the damage/loss.

C7 Settlement Report and Settlement Cheques

C7.01 The Contractor must provide the Claimant with a fully itemized claim settlement report with the settlement cheque, which takes into account any prior settlements made by the carrier or warehouse contractor and fully explains the reasons for any settlement at less than the claimed value. The Contractor should also request that the claimant sign a release and agreement acknowledging receipt of the cheque and confirming acceptance of the settlement.

C7.02 The settlement cheque must be processed and issued by the Contractor and must not be outsourced.

C8 Insurance Adjustor / Claims Assessor

C8.01 The Contractor must assign and monitor the activities of a Claims Assessor or Insurance Adjustor, as applicable to the circumstance.

C9 Documentation

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C9.01 The Contractor must ensure that any documentation pertaining to a claim is made available to the Project Authority upon request.

C10 Summary of Reports

C10.01 The following summary of reports is provided for the convenience of the Contractor and may not constitute all required reports within this Statement of Work.

- Loss adjustment report (As required)
- Management Information reports (Monthly)
- Adhoc reports (maximum one report per quarter)
- Claims Summary report (Quarterly)
- Complaints report (Quarterly)
- Monthly Loss Bordereau report (Monthly)
- Recommendations to reduce the number, frequency and severity of claims (As required)

D. QUALIFICATIONS OF CONTRACTOR PERSONNEL

D1 Claims Examiner

D1.01 The Contractor must assign and have available the following resources throughout the duration of the contract,

- (a) at least one Claims Examiner with a minimum of three (3) years in insurance claims examination/processing; and
- (b) one (1) senior employee with a minimum of ten (10) years' experience in claims examination and processing supervision to oversee the account.

D1.02 The Contractor must provide all services in both official languages and must satisfy the Official Languages Act; services provided in one language must be of comparable quality to the services provided in the other.

E. PHASE-OUT OF CONTRACT

E1 Contract Phase-Out Transition

E1.01 The Contractor must provide personnel with the experience listed in section D1 during the phase-out period of the contract to ensure that there is no diminution in the quality of services provided. Transitions must take no more than 120 calendar days.

E1.02 If a new contract is awarded to a new Contractor, both the incoming and outgoing suppliers must guarantee seamless transfer of data to DFATD. Within 60 calendar days of the cancellation or finalization of the contract, the Contractor must return to DFATD, in a standard off-the-shelf database or spreadsheet format as requested by DFATD any and all data collected on behalf of DFATD.

E1.03 If a new contract is awarded to a new Contractor, the Project Authority will be responsible for completing the remaining open files from any previous contract. If a previous Contractor is awarded the subsequent contract any remaining opened files under the previous contract may be transferred to the Contractor, at the discretion of the Project Authority, and completed under the subsequent contract.

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E1.04 The Contractor must not attempt to persuade any client (employee) to transfer their damage and loss claims to it when it no longer services DFATD.

Attachment 1 to Annex A - Foreign Service Directives

Note: The Foreign Service Directive (FSDs) are subject to cyclical review. The timing of the cyclical review is determined by the NJC. The most recent version of the FSDs shall apply to this contract.

Damage and/or Loss Claims of Household Effects and Accompanied Baggage

15.19 General Provisions

15.19.1 An employee may claim compensation for damage and/or loss of personal and household effects which have been shipped or stored at public expense in accordance with the provisions outlined below.

15.19.2 When an employee is relocated to or from a post outside Canada, household effects which have been authorized for shipment or storage at public expense are self-insured for damage and/or loss in excess of liability by carriers or other insurers, in accordance with the coverage and limitations specified in Section 15.25.

15.19.3 If household effects are damaged or lost during shipment or storage, the employee may submit a claim to the Claims Administrator in accordance with Sections 15.20 and 15.21 provided:

- (a) an inventory of household effects prepared in accordance with the provisions of Section 15.17 was filed with the deputy head two weeks prior to the mover's pick up of effects;
- (b) before the articles were shipped or stored, the deputy head authorized shipment or storage at public expense; and
- (c) an intent to claim, in accordance with Appendix E, is sent to the last carrier and to the Claims Administrator within 30 days of receipt of effects.

15.19.4 Damage and/or loss of effects acquired after submission of an inventory, or acquired in transit on relocation and authorized for shipment at public expense, must be supported by documentary evidence of purchase and a claim against the last carrier.

15.19.5 An employee may claim for damage and/or loss to a private motor vehicle (PMV) which has been shipped with household effects by van or container in accordance with Sections 15.19, 15.20 and 15.21, in addition to the limitations prescribed in subsection 15.25.1. Where, through no fault or neglect on the part of the employee, an insurer does not accept liability for damage or loss of a private motor vehicle (PMV) in transit, or the deputy head failed to take out appropriate insurance coverage compensation shall be limited to that which would have been paid if an insurer had accepted liability.

15.19.6 When a private motor vehicle (PMV) shipped at public expense is damaged in transit, the employee will be permitted to rent a replacement vehicle for a maximum of 30 additional days if the maximum amount permissible under Section 15.30 is exhausted.

15.20 Intent to Claim for Damage and/or Loss to Household Effects

15.20.1 Any obvious damage or loss shall be noted by the employee on the mover's inventory at the time of receipt. It is also helpful to take photos or videos to document condition on receipt.

15.20.2 Where an employee anticipates claiming for damage and/or loss against the Crown:

- (a) unless the total claim for damage and/or loss is under \$200, notice of intent to claim (see Appendix E) for damage and/or loss pursuant to this section must be made by the employee to the last commercial

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carrier immediately on receipt of a shipment. If it is evident that the loss/damage was caused by a carrier

or agent other than the last carrier, the employee shall claim against the responsible carrier or agent. The employee should also send a copy to the Claims Administrator, no later than 30 days after delivery of effects, which will also serve as intent to claim from the Crown;

(b) claims under \$200 do not require an intent to claim;

(c) at a post, in the absence of an employee, mission administration shall undertake the action described in paragraph 15.20.2(a), to be followed up subsequently by the employee, where a shipment is accepted by mission administration on behalf of, and prior to, the employee's arrival.

15.21 Claim Requirements for Household Effects

(Note: Refer to Appendices B, C, D, E and F)

15.21.1 Claims under \$200 should be submitted directly to the Claims Administrator, within 30 days of receipt of effects, and should include a brief description of the circumstances surrounding the damage or loss, a listing of items damaged and/or lost, a copy of the relevant inventory pages, and amount claimed.

15.21.2 Claims over \$200 - unless, in the opinion of the Claims Administrator, there are exceptional circumstances which justify an extension of the time limits specified in this Section and in subsections 15.19.3 and/or 15.22.1 and 15.23.1, a claim for damage and/or loss of household effects must be submitted to the Claims Administrator within 90 calendar days of the date of notification submitted pursuant to subsection 15.19.2 and must be supported by a completed claim form and attached documents containing the following information:

(a) the circumstances giving rise to the claim;

(b) details on all claims for damage and/or loss, including nature of the damage, replacement cost value, age, and preference for repair, replacement or settlement on the basis of actual cash value, and amount claimed;

(c) a copy of the moving company's delivery receipt detailing any apparent damage or missing items evident on delivery of effects;

(d) a report on any settlement made by carriers and evidence that a claim for damage and/or loss has been submitted to the last carrier (except for claims under \$200), unless it is evident that the loss/damage was caused by a carrier other than the last carrier, in which case the employee shall claim against the responsible carrier;

(e) a copy of appropriate pages of the inventory prepared and submitted prior to shipment or storage;

(f) a report on any settlement made under a personal insurance policy.

15.21.3 Claims for damage where the claimed amount is in excess of \$1000 and a claims adjuster/appraiser has not yet been engaged shall be supported by photos or videos.

15.21.4 Damaged items and associated packing materials shall be kept until release has been authorized by the Claims Administrator.

15.21.5 The Claims Administrator will liaise with the carrier utilized by the employee to determine the carrier's liability and will pursue any claims on the employee's behalf.

15.22 Damage and/or Loss to Accompanying Baggage on Relocation

15.22.1 When an employee is relocated to or from a post outside Canada; is on temporary duty as part of relocation or relocates by car; the Crown assumes the risk for damage and/or loss to accompanying baggage, to a maximum of \$1000 per traveller, beyond the compensation provided by the carrier, credit card company or auto insurer, subject to the limitations of Sections 15.24 and 15.25, provided that:

- (a) an inventory of accompanying baggage showing replacement cost value in Canada at the time the inventory was prepared was filed with the deputy head two weeks prior to commencement of travel;
- (b) effects acquired after submission of an inventory or acquired in transit on relocation and authorized for shipment at public expense are supported by documentary evidence of purchase;
- (c) a claim is submitted to the last carrier or other insurer as prescribed; and
- (d) once the last carrier or other insurer settles, or no later than 90 days after arrival at the new place of duty, a claim, for damage and/or loss is submitted to the Claims Administrator.

15.23 Claim Requirement for Damage and/or Loss to Accompanying Baggage on Relocation

(Note: Refer to Appendices B, C, D, E and F)

15.23.1 Unless, in the opinion of the deputy head, there are exceptional circumstances which justify an extension of the time limits specified in this Section, a claim for damage and/or loss of accompanying baggage must be submitted within 90 calendar days after arrival at the post and must be supported by a completed claim form and attached documents containing the following information:

- (a) the circumstances giving rise to the claim;
- (b) the extent of the damage or loss;
- (c) the amount claimed in respect of each article;
- (d) a copy of the claim submitted to the carrier or insurer;
- (e) a copy of the reply from the carrier or insurer outlining their liability and proposed settlement;
- (f) a copy of the police report detailing circumstances of damage and/or loss, where appropriate;
- (g) a copy of any settlement made under any personal insurance policy.

15.23.2 Employees are expected to claim first from travel agents, credit cards or homeowners insurance where such insurance for accompanying baggage is provided.

15.23.3 Except for claims under \$200, the Claims Administrator will not finalize the claim until the carrier or insurer has settled, or denied liability.

15.23.4 The Claims Administrator will consider any settlement by other parties in determining compensation.

15.24 Limitations of Compensation of Accompanying Baggage

15.24.1 In addition to the general limitations in Section 15.25, the following exclusions apply to accompanying baggage:

- (a) damage to luggage which can be repaired;
- (b) loss of cellphones, laptop computers, cameras or other electronic equipment, although transit related damage to these items will be considered; and
- (c) damage and/or loss occurring while on circuitous travel, i.e. not official relocation travel as indicated on the application for accountable advance or non-accountable relocation allowance.

15.25 Limitations of Compensation for Damage and/or Loss

15.25.1 The maximum amount which may be paid against a claim for damage and/or loss of household effects while in transit is the amount noted below:

- (a) \$120,000 for employees occupying Crown-furnished accommodation; or
- (b) \$140,000 for employees occupying unfurnished accommodation and shipping furniture; and
- (c) \$120,000 for effects in storage at public expense which includes coverage for damage and loss of a PMV limited to the Canadian Red Book value on entry into storage and does not include compensation for corrosion or natural deterioration.

15.25.2 The amounts specified in subsection 15.25.1 shall be reduced by any settlement received by the employee from a carrier/insurer.

15.25.3 An employee who obtains personal insurance on specific household and/or personal effects which are excluded or exceed specific coverage provided by the Crown shall provide the Claims Administrator with a copy of the policy and an inventory of the items covered by the policy. An employee shall have no claim to compensation from the Crown for any item covered by a personal insurance policy. Where an employee does not submit an inventory of items covered by a personal insurance policy, the policy shall be deemed to cover all household effects and a claim against the Crown shall not be considered.

15.25.4 The requirement to specify items covered by personal insurance does not apply if the coverage is for loss in excess of the Crown's liability, as specified in subsection 15.25.1 above. In this case, the employee's personal policy would be for the full replacement cost value of household effects with a deductible equivalent to the Crown's liability as specified above.

15.25.5 In line with good industry practice, the following conditions and exclusions shall be applied by the Claims Administrator in the processing of claims against the Crown for damage and/or loss:

- (a) where an item is not being repaired or replaced, compensation shall not exceed the actual cash value at the time of loss;
- (b) where an item can be restored to serviceable condition or where an article is damaged and is repaired, compensation shall not exceed the repair cost, up to the replacement cost value of the item;
- (c) where replacement cost value or actual cost value is authorized for item(s) which have been damaged and have not been repaired, the Crown retains the right to claim the original item(s) for salvage or

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disposal;

(d) the cost of repair or replacement of appliances and/or mechanical, electrical or electronic equipment in storage necessitated by natural deterioration is limited to the actual cash value at time of entry into storage, but no claim will be considered unless the items were certified to be in good working order at the time of entry into storage;

(e) compensation for loss of artistic value is limited to a beauty allowance;

(f) compensation for lost software will not be authorized unless there is evidence of official purchase or "certificate of authenticity", and only where the manufacturer will not replace free or at reduced charge; where replacement is offered at a reduced price, this may be claimed by the employee;

(g) liability for alleged loss of effects designated for shipment and believed to have been placed into long-term storage in error is limited, at the discretion of the Claims Administrator, to \$500 for items which must be replaced while on posting; this is not to prejudice the right to claim for loss of items which are not found in long-term storage on return to Canada;

(h) claims for professional cleaning or pressing of garments will only be considered where there is clear evidence of fault or negligence beyond the employee's control and beyond the normal requirements for pressing expected with a move;

(i) in the case of damage and/or loss to an article or articles which are part of a set, the measure of the damage and/or loss to such an article or articles shall be a fair and reasonable proportion of the total value of the set as determined by the Claims Administrator, but in no event shall such loss be construed to mean the total loss of the set;

(j) where an employee replaces an article which has been lost or which cannot be restored to serviceable condition, the employee shall be reimbursed the amount plus applicable taxes required to replace the lost article with another article of "like kind and quality". For example: An electric hand mixer with a RCV of \$30 is lost;

(i) the employee purchases a new electric hand mixer and is reimbursed the full purchase cost of \$30, plus applicable sales taxes, upon production of a receipt;

(ii) the employee chooses to replace the mixer with a food processor at a cost of \$250. Upon production of a receipt, the employee would be reimbursed \$30, plus applicable sales taxes, which is the RCV of the item which was lost, which could then be applied to the purchase of the food processor;

(iii) the employee chooses not to replace the mixer but instead to purchase an iron; compensation would be limited to the Actual Cash Value;

(k) where a computer is damaged, but the computer continues to operate normally, a beauty allowance would be considered.

15.25.6 No reimbursement shall be made:

(a) for sums of money lost in transit;

(b) in excess of \$200 for personally created items (such as carvings, paintings, manuscripts, etc.), unless they are supported by receipts (eg framing) or have been professionally evaluated and a copy of the appraisal is attached to the inventory;

(c) in excess of \$1000, for valuable or unusual items such as art objects, porcelain, hand-crafted carpets, paintings, antiques, heirlooms, and collections, other than coin or stamp collections, unless they have

been professionally evaluated, and a copy of the appraisal, which was obtained prior to shipment, indicating the condition and value of the item, is attached to the inventory;

(d) for damage to items requiring climatic control;

(e) for damage and/or loss of any type of liquid, foodstuff or cleaning products, or for any damage to accompanying effects due to leakage or spillage of these items;

(f) for loss of commercial value as a result of damage to valuable items;

(g) for articles excluded from insurance coverage by the Crown; these articles comprise: furs, coin or stamp collections, jewellery, watches and set or unset gems, and articles for which an insurance company would not have assumed the risk;

(h) where a motorcycle, which has been authorized and serviced for shipment as household effects, is damaged or lost, reimbursement for the cost of restoring the motorcycle to serviceable condition or the cost of replacement shall be limited to the "Canadian Red Book" value of the motorcycle at the time of shipment;

(i) for items intended for sale or commercial use.

15.25.7 Subject to the conditions, limitations and exclusions of this directive, the Claims Administrator shall approve claims in excess of the liability accepted by the carrier/insurer, paid directly to the employee, as outlined in Appendix F and may appoint a claims adjuster/appraiser whenever this is deemed necessary to effect settlement of a claim.

15.26 Independent Appraiser

15.26.1 When difficulties are encountered in assessing an employee's claim for damage and/or loss to personal and/or household effects, the services of an independent claims adjuster/appraiser may be authorized by the Claims Administrator for advisory purposes to determine the extent of damage and/or loss and to recommend compensation in line with industry practice.

15.27 Accountable Advance Pending Settlement of a Claim for Damage/Loss of Household Effects

15.27.1 Pending settlement of a claim for damage and/or loss to effects stored, accompanied or shipped at public expense, the Claims Administrator, without prejudicing the settlement of claims, may authorize an accountable advance to the employee not to exceed the actual cash value of the lost or damaged effects.

15.27.2 Any advance made to an employee and any compensation received by the employee from a third party shall be recovered from the employee or taken into account in making final settlement of the claim.

15.27.3 More than one advance payment may be made to an employee provided that:

(a) the total amount of all advances does not exceed the actual cash value of claimable items, or

(b) the employee has accounted for an advance and is requesting a subsequent advance for the purchase of replacement items, up to the actual cash value of the outstanding claimable items.

15.27.4 The time limits specified in FSD 4 - Accountable Advances shall not apply to accountable advances made pursuant to Section 15.27.

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ANNEX B

BASIS OF PAYMENT

1. Basis of payment

During the period of the Contract, the Contractor will be paid as specified below, for Work performed in accordance with the Contract. Customs duties are included and Goods and Services Tax or Harmonized Sales Tax (GST/HST) is extra, if applicable.

2. Fee for Creation of Files & Claims

- (a) The contractor will be paid a fee for the creation of a file, in accordance with the table below, after it has completed the tasks detailed in C1 of the Statement of Work.
- (b) The contractor will be paid a fee for administering claim amounts, in accordance with the table below, after it has completed the tasks detailed in C3.01 of the Statement of Work.

	CONTRACT			OPTION	
Value	Year 1 April 2014 to March 31, 2015	Year 2 April 2015 to March 31, 2016	Year 3 April 2016 to March 31, 2017	Year 1 April 2017 to March 31, 2018	Year 2 April 2018 to March 31, 2019
Creation of Files	\$ Per creation	\$ Per creation	\$ Per creation	CPI	CPI
Claims \$0.01 to \$499.99	\$ Per claim	\$ Per claim	\$ Per claim	CPI	CPI
Claims \$500.00 to \$1999.99	\$ Per claim	\$ Per claim	\$ Per claim	CPI	CPI
Claims \$2000.00 to \$4999.99	\$ Per claim	\$ Per claim	\$ Per claim	CPI	CPI
Claims \$5,000.00 and over	\$ Per claim	\$ Per claim	\$ Per claim	CPI	CPI

3. Pricing for Option Years 1 and 2

In the event that Canada exercises the option to extend the period of the contract, the firm rates will be adjusted annually, on MONTH 1 of each of the two one year option periods by an amount established based on the percentage increase (decrease), nearest two decimal places, in the sum

of the monthly indices of the Consumer Price Index for Canada, All-Items (Not Seasonally Adjusted), published in Statistics Canada Catalogue no.62-001-XPE, Table 5, from the 12-month base period ending 15 months prior to the current Option Period start date, to the same 12-month period ending 3 months prior to the current Option Period start date. This will be calculated using the following formula:

$$EPA = \left(\frac{A}{B} \right) - 1 \times 100$$

Where:

A = Sum of the monthly indices for the 12 months ending 3 months prior to the current Option Period start date.

B = Sum of the monthly indices for the 12 months ending 15 months prior to the current Option Period start date.

Example:

Assuming October 1, 2010, as the first Option Period, the firm rates (year 3 rates) would be increased by 2.40% based on the following assumptions:

A = Sum of the monthly indices for the 12 months ending July 2010 (3 months prior to the current Option Period start date) = 1445.3

B = Sum of the monthly indices for the 12 months ending July 2009 (15 months prior to the current Option Period start date) = 1411.4

$$EPA = \left(\frac{A}{B} \right) - 1 \times 100$$

$$EPA = \left(\frac{1445.3}{1411.4} \right) - 1 \times 100$$

$$EPA = 2.40\%$$

Consumer Price Index for Canada is published by Statistics Canada and can also be found on the Statistics Canada website at <http://cansim2.statcan.ca>, Table 326-0020, Cansim Vector number V41690973.

4. Direct Expense - Claims Assessor and Insurance Adjuster

The Contractor will be reimbursed its direct expenses reasonably and properly incurred in the performance of the Work, for the contracting of Claims Assessors and Lost Adjusters, in accordance with Section B and C8 – Annex A Statement of Work, these expenses will be paid at actual cost without mark-up, upon submission of an itemized statement supported by receipt vouchers.

5. Direct Expense - Settlement Cheques to Employees

The Contractor will be reimbursed its direct expenses reasonably and properly incurred in the performance of the Work, for the issuance of settlement cheques to the employee, in accordance with Section B3 Annex A Statement of Work, these expenses will be paid at actual cost without mark-up, upon submission of an itemized statement supported by receipt vouchers.

6. Subrogation and salvage

In instances where salvage and subrogation are pursued in accordance with Section B4 - Annex A Statement of Work, the Contractor may retain 50% of the amount recovered.

7. Travel and Living Expenses

Canada will not accept any travel and living expenses for:

- (a) Services provided within the National Capital Region (NCR). The NCR is defined in the *National Capital Act*, R.S.C. 1985, c. N-4, S.2. *The National Capital Act* is available on the Justice Website: <http://laws.justice.gc.ca/en/N-4/> ;
- (b) Any travel between the Contractor's place of business and the NCR;
- (c) Any relocation of resources required to satisfy the terms of the Contract.

8. Phase Out

A previous contractor under any previous contract will not be paid any additional file opening or claims administration fees for files which have already been paid under a previous contract.

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ANNEX C
SECURITY REQUIREMENTS CHECK LIST

See attachment.