



REQUEST FOR PROPOSAL

FOR

REAL ESTATE MARKETING AND SALES AND PROPERTY MANAGEMENT FOR
PROPERTIES IN PRINCE EDWARD ISLAND (1-6 UNITS)

Date issued: December 5, 2014

Solicitation Closes: January 16, 2015

Solicitation File Number:
201404530

Originating Department: Default Management and
Real Estate Atlantic Region

Inquiries: Patricia Knott, Procurement Advisor

Tel: (613) 740-5465

Fax: (613) 748-2079

Email: phowse@cmhc-schl.gc.ca

Security Classification: PROTECTED
Ce document est disponible en français sur demande

Table of Contents

I	SECTION 1 GENERAL INFORMATION.....	1
1.1	OVERVIEW OF SECTION 1	1
1.2	INTRODUCTION AND SCOPE.....	1
1.3	CMHC BACKGROUND.....	1
1.4	PURPOSE OF REQUEST FOR PROPOSAL.....	2
1.5	SERVICE PROVIDERS DATABASE.....	2
1.6	SCHEDULE OF EVENTS.....	2
1.7	MANDATORY REQUIREMENTS.....	3
1.8	PROPONENT FEEDBACK	3
1.9	DIRECT DEPOSIT AND INCOME TAX REPORTING REQUIREMENT.....	4
2	SECTION 2 SUBMISSION INSTRUCTIONS.....	5
2.1	OVERVIEW OF SECTION 2.....	5
2.2	CERTIFICATE OF SUBMISSION MANDATORY.....	5
2.3	DELIVERY INSTRUCTIONS AND DEADLINE.....	5
2.3.1	Submission Deadline MANDATORY.....	6
2.4	INQUIRIES.....	6
2.5	COMMUNICATION	7
2.6	PROPONENT CONTACT.....	7
2.7	OFFERING PERIOD MANDATORY.....	7
2.8	CHANGES TO PROPOSALS.....	7
2.9	MULTIPLE PROPOSALS.....	8
2.10	ACCEPTABLE ALTERNATIVE.....	8
2.11	NO LIABILITY	8
2.12	VERIFICATION OF PROPOSALS.....	8
2.13	OWNERSHIP OF RESPONSES.....	8
2.14	PROPRIETARY INFORMATION.....	9
2.15	CORPORATION IDENTIFICATION.....	9
2.16	DECLARATION WITH RESPECT TO GRATUITIES.....	9
2.17	CONFLICT OF INTEREST	9
2.18	DECLARATION WITH RESPECT TO BID RIGGING AND COLLUSION.....	10
2.19	SECURITY CLEARANCE.....	10
2.20	JOINT VENTURE RESPONSES.....	10
2.21	NON-DISCLOSURE OF CMHC INFORMATION.....	11
3	SECTION 3 STATEMENT OF WORK.....	12
3.1	OVERVIEW OF SECTION 3	12
3.2	MANDATORY REQUIREMENTS.....	12
3.3	STATEMENT OF WORK.....	12
4	SECTION 4 PROPOSAL REQUIREMENTS.....	18
4.1	OVERVIEW OF SECTION 4.....	18
4.2	MANDATORY PROPOSAL REQUIREMENTS.....	18
4.3	COVERING LETTER	18
4.4	PROPONENT'S QUALIFICATIONS MANDATORY	18
4.5	RESPONSE TO STATEMENT OF WORK MANDATORY.....	19
4.6	FINANCIAL INFORMATION	21
4.6.1	Financial Capacity Review	21
	Sole Proprietorships.....	22
4.7	OTHER INFORMATION.....	22

4.8	PRICING PROPOSAL	MANDATORY	22
5	SECTION 5 EVALUATION AND SELECTION		24
5.1	OVERVIEW OF SECTION 5		24
5.2	LIMITATION OF DAMAGES		24
5.3	EVALUATION TABLE		24
5.4	EVALUATION METHODOLOGY		24
5.5	FINANCIAL EVALUATION		25
5.6	PROPONENT SELECTION		25
6	SECTION 6 DRAFT AGREEMENT		26
6.1	OVERVIEW OF SECTION 6		26
6.2	DRAFT AGREEMENT		26
7	SECTION 7 APPENDICES		50
	APPENDIX A	MANDATORY	50
7.1	CERTIFICATE OF SUBMISSION		50
	APPENDIX B		52
7.2	EVALUATION TABLE		52
7.3	MANDATORY COMPLIANCE CHECKLIST		53

I SECTION I GENERAL INFORMATION

I.1 Overview of Section I

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 common usage at CMHC.

I.2 Introduction and Scope

CMHC wishes to enter into an Agreement with a vendor (hereafter referred to as the “proponent(s)”) for the purpose of facilitating marketing, sales and property management of selected residential properties in the Province of Prince Edward Island.

This Agreement will have an initial term of one year, with the potential to renew for two subsequent one-year renewals, not to exceed a cumulative total of three years.

The value of this service is expected to range from \$40,000 to \$50,000 CDN for the initial term of the Agreement, including all applicable taxes.

CMHC has also issued concurrent RFPs for the same services in the provinces of Newfoundland and Labrador, New Brunswick and Nova Scotia. Proponents may bid on providing the services outlined in one or more than one province. However, proponents must submit individual proposals by province, for evaluation purposes. CMHC reserves the right to negotiate one or more Agreements for the delivery of services as outlined where it is in the best interests of CMHC.

CMHC requires that the successful proponent(s) must meet all real estate licensing requirements associated with the province in which the proponent is submitting a bid. More information can be found in Section 4, “Proposal Requirements”.

By issuing this RFP and accepting proposals, CMHC assumes the obligation of conducting the process in a fair and transparent manner. CMHC has no obligation to procure any services, or to compensate any proponent for work done other than as may be set out in a written contract with that proponent. CMHC reserves the right, to exclude from this Agreement any units it acquires from time to time.

More detailed specifications can be found in Section 3, “Statement of Work”.

I.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 2,000 employees located at its National Office in Ottawa, and at five Business Centres throughout Canada: Atlantic; Quebec; Ontario; British Columbia; and Prairies & Territories.

I.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 operate or supply goods and/or services. By submitting a proposal, proponents agree to be bound by the terms of this RFP, and the terms of the proposal that they submit.

In this 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.

I.5 Service Providers Database

CMHC utilizes the Supplier Information (SI) database, maintained by **Public Works and Government Services Canada** as the Official CMHC source list.

All proponents **must** be registered with **Public Works and Government Services Canada** prior to submitting a proposal. The Procurement Business Number (PBN) provided by this registration must be included with your proposal. If you are not registered, and you wish to do so, you may access (<https://buyandsell.gc.ca/>) or you may call their Information Line at: 1-800-811-1148.

I.6 Schedule of Events

The following schedule summarizes significant target dates for the RFP process. These dates are objectives only, and they may be changed by CMHC at its sole discretion. They shall not be considered terms or conditions under which the RFP will be conducted.

Date	Activities
December 5, 2014	Request for Proposal issued
December 30, 2014	Submission of Questions Deadline
January 16, 2015	Submission Deadline
January 28, 2015	Evaluation and Selection of lead proponent
February 4, 2015	Finalization with lead proponent
February 5, 2015	Agreement award
February 11, 2015	Announcement of successful proponent
As requested	Debriefing to unsuccessful proponents

I.7 Mandatory Requirements

Throughout this RFP, certain requirements are identified as mandatory. Compliance with mandatory requirements will be assessed by CMHC in its sole discretion.

A mandatory requirement is defined as:

- a minimum standard that a proposal must meet in order to be considered for further evaluation;
- a requirement that must be met in order for the proponent to substantially comply with the requirements of the RFP; and
- a term that must be included in any Agreement that results from the RFP

Mandatory requirements are identified in:

- Section 2 Submission Instructions
- Section 4 Proposal Requirements
- Section 6 Draft Agreement, and
- Appendix A Certificate of Submission.

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.

I.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 it be positive or negative. 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 an Agreement has been executed or the RFP process has been terminated.

Proponents wishing to provide feedback may submit comments labeled as **Proponent Feedback RFP # 201404530** to the name and address provided in Section 2.4.

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 a Mandatory Compliance Checklist as Appendix C to the RFP. The Checklist is provided for the benefit of proponents prior to submission of their proposals, to help them ensure that they have complied with all mandatory requirements. 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, attached as Appendix A, summarizes some of the mandatory requirements set out in the RFP. As noted in Section 1.7, it is also a mandatory requirement that a proposal include a Certificate of Submission (or an accurate reproduction) signed by the proponent.

Should a proponent not include the signed Certificate of Submission with its proposal, the proponent will be notified by CMHC and will have 48 hours from the time of notification 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 a failure to deliver a proposal to CMHC are borne by the proponent. CMHC will not assume those risks or responsibilities under any circumstances.

The time of delivery for the purposes of this section is deemed to be the time recorded by the CMHC system receiving the proposal, and not the time the proposal was sent by the proponent.

Please be advised that EBID has a size limitation of 10 MB. It is advisable and recommended that Proponents submit larger proposals in multiple smaller files.

Upon receipt of proposals, an automated confirmation will be issued by EBID to the sender's e-mail address. It is strongly recommended that proponents follow up with the inquiries person named in Section 2.4 should they not receive said confirmation within 30 minutes of submission.

Please be advised that electronic transmissions may not necessarily be immediate and can experience lengthy delivery delays. Proponents should ensure that sufficient delivery time is allowed, as they assume the risk of delays in transmission and receipt.

Address for Delivery

Proposals, including all supporting documentation, are to be sent electronically to the following e-mail address:

EBID@cmhc-schl.gc.ca

The subject line of the transmission must state: RFP, file # 201404530

Format

Proposals may be submitted in MS Word, Lotus WordPro or Adobe Acrobat PDF.

Rich Text formatted or Compressed (Zipped) documents cannot be opened by CMHC and will not be considered.

Proposal Opening and Verification Period

All EBID proposals received on or before the closing date and time specified in this RFP, will be opened for verification by CMHC. If at that time, CMHC is unable to open a proposal, the proponent will be so advised and provided an opportunity to resubmit a version that can be opened within 2 hours of notification.

2.3.1 Submission Deadline

MANDATORY

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

2:00 p.m. local Ottawa time, on Friday January 16, 2015

Proposals arriving late will be automatically rejected, and the sender will be so notified by e-mail.

2.4 Inquiries

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

Patricia Knott, Procurement Advisor

Fax: 613-748-2079

Email: phowse@cmhc.ca

Changes to this RFP document will only be effective if issued by CMHC in writing as described below. Proponents are therefore strongly cautioned to request that all clarification, direction and changes be provided in writing, as information given orally by any person within CMHC shall not be binding upon CMHC.

All written questions submitted, which in the opinion of CMHC raise an issue that has the potential to affect all proponents, will be answered by CMHC in writing and distributed to all proponents by facsimile, e-mail or buyandsell.gc.ca. The identity of the proponent making the inquiry will not be included in the response. Any questions of a proprietary nature must be clearly marked as such.

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 proponents by facsimile, e-mail or buyandsell.gc.ca.

CMHC has no obligation to respond to any inquiry, and will determine, at its sole discretion, whether it will respond to inquiries that are submitted. CMHC cannot guarantee a reply to inquiries received less than **seven calendar days** prior to the closing date.

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, including clarification of the scope of services offered. Any such communication is limited to clarification purposes only, and proponents will not be allowed to revise their proposal during this process.

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

It is a deemed condition of every proposal that the terms of the proposal, including all terms relating to pricing, shall remain valid and binding on the proponent until such time as an Agreement is negotiated and executed, not to exceed sixty (60) days following the closing date.

2.8 Changes to Proposals

Changes to a proposal are permitted, provided that they are received as an addendum to, or clarification of, a previously submitted proposal, or as a new proposal that replaces and supersedes the proposal that was previously submitted.

Any 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. Where the new proposal is intended to replace all or part of an earlier proposal, it must be accompanied by a clear statement specifying the sections of the earlier proposal that are replaced by the new proposal.

2.9 Multiple Proposals

Proponents interested in submitting more than one proposal for consideration may do so, provided 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 as an addendum to a proposal.

Where the alternative proposal relates to a mandatory requirement, the alternative must meet that 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 claim or cause 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 willful 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 proponent authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the proponent's proposal.

2.13 Ownership of Responses

All proposals and related materials become the property of CMHC upon submission and CMHC shall have all intellectual property rights in those proposals and materials. Proposals and related materials will not be returned to proponents. Proponents are not entitled to any compensation for any work related to, or materials supplied in the preparation of their proposals.

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 of, 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 are of a proprietary or confidential nature, must be clearly marked "**PROPRIETARY**" or "**CONFIDENTIAL**". Proprietary and confidential markings shall be included beside each item or at the top of each page containing information that the proponent wishes to protect from disclosure.

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 about CMHC that is contained in this RFP document is to be considered proprietary information of CMHC. It is made available for the sole purpose of providing proponents with sufficient information to prepare responses to the RFP. Proponents and other readers of this document may not make any other use of information contained in the RFP.

2.15 Corporation Identification

Proponents agree that they will not make any use whatsoever of CMHC's name, logo or other official marks without the express written consent of CMHC.

2.16 Declaration with respect to Gratuities

By submitting a proposal, the proponent certifies that no representative of the proponent, or any individual or entity associated with the proponent has offered or given a gratuity (e.g. an entertainment or gift) or other benefit to any CMHC employee, Board member or Governor-in-Council appointee with the intention of obtaining favourable treatment from CMHC.

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 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 the conflict, potential conflict or perception that a conflict of interest exists.

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

By 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 five 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 or any confidential information. Where the required security clearance is not granted to an individual, CMHC will have the right to exclude that individual from performing the services outlined in this RFP. The failure of an individual to obtain security clearance shall not relieve the successful proponent from any of its obligations under this RFP and any resulting agreement.

2.20 Joint Venture Responses

Joint venture proposals should adequately represent and communicate the proposed roles and responsibilities of each party participating in the joint venture, and must provide a detailed description of the proposed joint venture business arrangement. The description must, at a minimum, list the companies involved, indicate how long the business arrangement has been (or will be) in existence, outline the goods or service(s) that each respective party would be providing and describe the proposed roles and responsibilities of each party.

The proponent shall designate one of the entities participating in the joint venture as the contact person for the purpose of this RFP process. All communications between the proponent and CMHC will be directed through the contact person.

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

2.21 Non-Disclosure of CMHC Information

Under this section, “CMHC Information” refers to any and all information of a confidential nature, including all personal information, which is managed, accessed, collected, used, disclosed, retained, received, created or disposed of by CMHC in order to complete this RFP process and to fulfill the requirements of any resulting agreement. Without limiting the generality of the foregoing, CMHC Information includes information held in any format and information provided directly, indirectly to 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 agrees to restrict access to CMHC Information to those persons who have a need to know this information in order to prepare the proponent’s response to this RFP, or perform the work or services under any resulting agreement.

The proponent further 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 remains in Canada and expressly agrees to segregate CMHC Information (whether in electronic format or in hard copy) from any other information by electronic or physical means. Without limiting the generality of the foregoing, the proponent shall ensure that any subcontractor, reseller, agent or any other person engaged to perform any part of the work or services does not release, share or otherwise divulge CMHC Information to any other person including subsidiaries, branch offices, partners or subcontractors of the proponent 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, person or body, the proponent 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 proponent 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, act in good faith 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.

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 (7.3).

3.3 Statement of Work

The Proponent will provide, at their expense all those services normally provided to a valued client including but not limited to the following:

A. Takeover

NOTE: Takeover is defined as the date keys are obtained from the approved lender's representative and not the date of the inspection of a selected property.

1. Upon notification in writing from CMHC of a pending property acquisition from a National Housing Act approved lender, obtain keys from the approved lender's representative or management company as directed by CMHC.

Within seven (7) calendar days of notification, the Proponent is to complete and return to CMHC the CMHC Takeover Report (form supplied by CMHC).

Provide notification in writing to the approved lender's representative **immediately** upon Takeover of the property to confirm that the keys have been accepted and copy CMHC on the notification.

2. If the property keys are accepted, provide access to the property promptly upon Takeover by mounting the appropriate lock box where permitted. Retain one set of keys at the Proponent's office. Should a takeover inspection be completed by the Proponent in the normal course, but CMHC subsequently declines takeover of the property, the cost of this inspection is to be included in the fee structure as set out in Appendix D.
3. Provide, at a minimum, one (1) digital picture of each of the following:

- ◆ All rooms of the property
- ◆ Exterior front and exterior back views of the property
- ◆ Street views
- ◆ Any deficiencies and/or health and safety concerns identified during Takeover
- ◆ Oil tank and oil tank Identification plate (if applicable)
- ◆ Mobile/modular/manufactured home identification plate showing make, model and serial number (if applicable)
- ◆ Any additional pictures which may be deemed relevant by the Proponent or requested by CMHC

All pictures to be jpeg format.

4. Transfer utilities, lot rental, etc. immediately upon takeover and provide confirmation in writing to CMHC when completed. Advise of any arrears outstanding.
5. **Immediately** advise CMHC in writing of all health, life and safety issues.
6. **Immediately** advise CMHC in writing of any environmental concerns/issues. (i.e. oil, mould etc.)
7. **Immediately** advise CMHC in writing of any emergency repairs that are completed.

B. Property Management

1. Purchase lockboxes as required. CMHC will reimburse the Proponent for the cost of the lockboxes, including HST, upon the receipt of original invoices and supporting documentation. No mark-up costs will be permitted. The type of lockbox will be directed by CMHC. The Proponent acknowledges that the lockboxes will remain the property of CMHC and the Proponent will surrender all lockboxes upon the termination of this Agreement. The Proponent is to keep a stock inventory of the CMHC acquired lockboxes and provide to CMHC upon request.
2. Set heating thermostats at 10 degrees Celsius in properties.
3. Perform a minimum number of security checks (once per week October to April (both months inclusive), twice per month May to September (both months inclusive) and more often if appropriate or necessary) including inspection of all windows and doors and checks of plumbing and heating systems including if applicable the oil tank (interior and/or exterior), oil supply lines, oil furnace, etc. for any indication or evidence of leaks.
4. Perform additional checks of the property as requested by CMHC.
5. Security Check-List will be placed in each property to record weekly, bi-weekly and other inspections as set out in paragraph B.3 above. Original Security Check-List is to remain in the property. Proponent may be asked to forward copies of the Security Check-List (form to be provided by CMHC).

6. Replace burnt out or missing light bulbs with 60-watt light bulbs. Replacement bulbs are to be supplied by Proponent.
7. Perform lawn cutting services to ensure grass does not exceed 50 mm in height at any time.
8. Remove snow/ice to ensure that municipal by-laws are respected at all times and regardless of applicable by-laws, that the depth does not exceed 10 mm, leaving a cleared width on the walkway of at least 60 cm ensuring cleared access to the main entrance of the property and if applicable, to the oil tank. The driveway is to be cleared to allow access for at least one vehicle.
9. Ensure that conditions are safe for persons entering the premises at all times.
10. Organize meetings/arrangements with representatives of utility companies or contractors at properties to facilitate meter readings and/or other services required.
11. Coordinate winterizing/de-winterizing of plumbing as required, as instructed by CMHC.
12. Shock wells for water tests when requested by CMHC.
13. Coordinate repairs authorized by CMHC, including obtaining estimates. Perform final inspection upon completion of work/repairs and confirm compliance with CMHC-approved Scope of Work. Provide a minimum of two (2) pictures of the completed work.
14. Ensure property is kept safe, secure, clean and presentable at all times. Cleaning and other costs are to be approved in advance by CMHC.
15. As requested by CMHC, arrange for water tests and/or for topping off the oil tank prior to sale closing. A copy of the top up slip is to be provided to CMHC prior to closing.

NOTE: Minor maintenance/repair and cleaning work proposed to be carried out by the Proponent and not exceeding \$500 (five hundred dollars (inclusive of HST)) per occurrence which has been declared to and approved by CMHC in writing and in advance will be permitted without being in breach of the CMHC conflict of interest clause included in the CMHC standard contract. All maintenance/repair and cleaning estimates in excess of \$500 (five hundred dollars (inclusive of HST)) are to be provided by an independent third party.

C. Tenanted Properties

It is anticipated that the majority of properties included in this Agreement will be vacant. If a property is tenant occupied, the Proponent, in addition to the above noted items, is responsible to execute the following:

- a) Manage access to the property in accordance with the applicable tenancy legislation in respect of tenants' right to privacy;
- b) Prepare standard form leases for tenant signatures;
- c) Collect and receipt rents (income) due from tenants;
- d) Initiate and prosecute all actions and proceedings as necessary to recover any arrears of rent or security deposits or to evict any tenant and recover possession of the property;
- e) Provide and respond to after hour emergency maintenance items;
- f) Takeover of property once it becomes vacant;
- g) Provide vacancy report at the end of the first working day of the month by address and type of unit;
- h) Provide rental arrears report on the last day of the previous month showing:
 - a. Tenant's name and address
 - b. Number of months in arrears and amount of arrears

NOTE: Proponent to ensure any action taken meets the requirements in the applicable tenancy legislation.

D. Marketing and Sales

The Proponent will provide, at their expense all those services normally provided to a valued client when listing a property on the Multiple Listing Service® including but not limited to the following:

1. Within seven (7) calendar days of takeover of a property, prepare a detailed *Comparative Market Analysis* (CMA). The CMA is to contain the following market information as a minimum: (Form to be provided by CMHC)
 - a) a description of the property;
 - b) a comparative analysis of current and recently expired listings of comparable properties;
 - c) recent sales data of comparable properties;
 - d) the average days listed to sales;
 - e) trends to indicate a buyers, sellers or balanced market;
 - f) the listing history of the subject property (provide a copy of the latest MLS expired cut sheet);
 - g) a recommendation for the listing and selling prices based on your analysis;
 - h) PID & PAN# when applicable
2. Complete all aspects of *Listing Agreements* for signature by the designated CMHC representative. All listings are to be submitted to CMHC within seven (7) calendar days of takeover of the property and will be accompanied by a CMA and when applicable, renewal documents are to be provided to the designated CMHC representative ten (10) calendar days prior to the expiration of the listing agreement.
3. All properties are to be listed on the Multiple Listing Service® (MLS®) by a licensed REALTOR®.

4. Immediately upon listing a property, a copy of the MLS® cut sheet will be emailed to CMHC.
5. Subsequent to initial CMA, a new CMA is to be provided every 60 days or as requested by CMHC. These reports (form to be provided by CMHC) must include all information normally required in a CMA with the addition of advertising details; the number of showings, newly listed properties and recommendations for repairs or price reductions.

NOTE: all CMA's must be reviewed, approved and signed by the Proponent prior to submitting to CMHC.

6. Prepare and/or submit all offers to the designated CMHC representative. Act as the sole liaison between CMHC and all selling Real Estate Firms and Real Estate Agents for all properties assigned. CMHC's standard schedule (Terms and Conditions – Offers to Purchase) must accompany all offers. (Form to be provided by CMHC)
7. Upon acceptance of an offer by CMHC, provide confirmation in writing of necessary requirements to complete the offer to purchase including but not limited to:
 - a) the waiver of any conditions in the Offer to Purchase
 - b) monitor all the conditions included in the Offer to Purchase and advise CMHC when the conditions are met.
 - c) provide contact information of the purchaser's solicitor, including but not limited to, name, mailing address, e-mail address, phone and fax numbers.
 - d) provide any further documentation or action to support the sale transaction and to ensure prompt closing
 - e) provide a copy of the key to the purchaser's solicitor prior to or at time of closing, as instructed by CMHC. Cost to be included in Property Management fee.

NOTE: CMHC cannot market a residential property until title to the residential property is registered in its name. In addition, CMHC may choose at its own discretion not to market a property. For properties that CMHC has taken over and cannot or chooses not to market, CMHC would still require property management and bill payment services of the Proponent, and will pay the Proponent a management fee as set out in Appendix D for the period of time that the property is not marketed.

E. Payment of Invoices

- I. In addition to the foregoing, the Proponent shall pay all bills pertaining to the normal operation of the property including but not limited to light and power costs, heating costs, equipment rental costs, water costs, repair costs approved by CMHC, mobile home lot rental and condo fees. These costs shall be reimbursed to the Proponent by CMHC upon receipt of paid invoices and any supporting documents (i.e CMHC's approval for repairs, cleaning, invoices, etc.) as needed. Property tax bills will be paid directly by CMHC.

2. The Proponent will invoice CMHC on a monthly basis for the expenses set out in paragraph E.1 above, in a format approved by CMHC by the 10th day of the following month.

F. Other items

1. Maintain complete and accurate paper files (to ensure authenticity and enable files to be easily returned to CMHC) for all activities conducted on behalf of CMHC. These files must be clearly identified by CMHC account number and property name/address, as well as include copies of any related electronic correspondence.
2. No files are to be destroyed during, or after, the term of the agreement.
3. Upon termination of agreement, all files are to be boxed, inventoried and returned to the CMHC local office immediately following the termination for proper retention and disposition.
4. The Proponent will be required to meet with CMHC representatives at their office in Halifax, Nova Scotia as requested by CMHC. The Proponent will be responsible for all travel expenses related to these meetings.
5. The Proponent will submit to CMHC on a monthly basis a contract performance report (report format will be provided by the Proponent and approved by CMHC).
6. The Proponent will submit an invoice for payment of real estate commission to CMHC immediately upon confirmation of sale closing. Real estate commissions will be paid to the Proponent, upon receipt of the sales proceeds by CMHC. Upon receipt, the Proponent will immediately reimburse the listing and selling agents.

4 SECTION 4 PROPOSAL REQUIREMENTS

4.1 Overview of Section 4

Proposal responses are to be organized and submitted in accordance with the instructions in this section. Responses should be organized into the following Response Item sections.

Response Item

#	Item
4.3	Covering Letter
4.4	Proponent's Qualifications
4.5	Response to Statement of Work
4.6	Financial Information
4.8	Pricing Proposal

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.

Requirements for each Response Item are detailed below.

4.2 Mandatory Proposal Requirements

Certain requirements in section 4 are identified as mandatory. See Section 1.7 for a description of mandatory requirements.

4.3 Covering Letter

A covering letter on the proponent's letterhead should 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) Contact information for the primary contact person with respect to this RFP including the individual's name, address, contact numbers by phone and fax, and contact e-mail address, if available.
- (d) The locations of primary and all other offices that would be servicing the Agreement.

4.4 Proponent's Qualifications

MANDATORY

The proponent's proposal must include information about the proponent's qualifications as follows:

- (a) Proponent must provide written confirmation from the Financial and Consumer Services Commission of the Province of Prince Edward Island that the Proponent and its personnel have the necessary licenses, including licenses required to act as Real Estate

- Agent and as Manager of the Proponent in Prince Edward Island, pursuant to the *Real Estate Agents Act*, thereby enabling the Applicant to list, market, trade in, acquire, lease or sell real property in the Province;
- (b) A description of the firm, its age, organization, location, number of full-time employees and service specialization (residential real estate sales, commercial real estate, property management etc.);
 - (c) Proponent must include a description of their experience and background in residential real estate marketing and sales and in residential property management;
 - (d) List of firm's existing or proposed field representatives who will be directly involved with the marketing and property management of CMHC properties. Please indicate the location of each representative.
 - (e) References: A list of the three most recent contracts of a similar size and scope which the proponent currently holds or has held. For each contract, the following information should be provided: company name and address; contact person name and phone number as well as a brief description of the nature of the contract. CMHC may approach any such contact person for information relating to the quality of work provided by the proponent.
 - (f) Details of the firm's financial procedures including:
 - 1. Accounting Procedures (disbursements and revenue collection)
 - 2. Reporting procedures and
 - 3. Amount of available working capital.

4.5 Response to Statement of Work

MANDATORY

In this section, the proponent must provide detailed information relative to the specifications listed in Section 3, Statement of Work.

Marketing Plan

Proponents must provide a detailed Marketing Plan for marketing properties, including but not limited to:

- a) Details as to how the proponent will service listings throughout the province, including a list of the firm's existing or proposed field representatives who will be directly involved with the marketing and sale of CMHC's properties. (Listings under this Agreement will be dispersed throughout the Province.) Please indicate the location of each representative;
- b) Proponents must detail their staffing, financial and other resources available to meet the work requirements to carry out the proposed marketing plan;
- c) Quality Control. The proponent shall describe its approach to quality control including, details of the methods used in ensuring quality of the work, and response mechanisms in the case of errors, omissions, delays, etc.
- d) Work Schedule. The proponent shall describe the method it will use to ensure compliance with the work schedule.
- e) Specific details of all marketing tools and methods to be utilized including but not limited to internet access, signage, advertising (should include but not be limited to

- frequency, cost, all facets of media to be used, etc.), incentives, “open houses”, collecting and reporting of statistics such as traffic counts and market activity,
- f) The Proponent must outline how CMHC properties will be promoted to real estate firms and salespeople;
 - g) Proponents must market all properties through the MLS® (with the exceptions of areas that do not have access to MLS®). Please indicate in your proposal how you will accommodate this marketing requirement in MLS® and non-MLS® areas;
 - h) Proponents should provide details of any additional benefits or value added features that are being offered, i.e. special legal or financing packages etc.

Property Management Plan

Proponents must provide details of their action plan to provide property management functions at the properties as described in detail in the Statement of Work Section 3.0 including but not limited to:

- a) Proponents must detail their staffing, financial and other resources available to meet the work requirements to carry out the proposed plan.
- b) Management and Financial Control. The Proponent shall identify the accounting software used for property management and describe the system, procedure and mechanisms used as they pertain to financial safe guards and control for budgeting, work orders, purchase orders, payments management and collection of arrears, revenue collection, deposits, cash flow, banking and reconciliation with particular attention to separation of duties with respect to entries, approval and signing authority for the above systems, procedures and mechanisms.
- c) Quality Control. The proponent shall describe its approach to quality control including, details of the methods used in ensuring quality of the work, and response mechanisms in the case of errors, omissions, delays, etc.
- d) Work Schedule. The proponent shall describe the method it will use to ensure compliance with the work schedule.
- e) Maintenance. The Proponent shall present process to be used for hiring maintenance trades for repairs of service to the properties that ensures quality workmanship and good value.

NOTE: All repair/cleaning estimates are to be provided by an independent third party. Mark up costs will be allowed and are to be included in the property management commission provided.

If the property management plan includes partnering with a property management company (refer to Section 2.20), proponents must provide the name of the principals providing the services, the details of previous experience (length of time and types of contracts held) and background on this company. It is critical that Proponents include information as to how service will be provided to properties throughout the province.

4.6 Financial Information

Proponents are not expected to submit confidential financial information with their proposal, however CMHC reserves the right to conduct an assessment of the Lead Proponent(s) financial capacity. Once a lead proponent is selected following the RFP evaluation process, CMHC will request the financial information necessary to confirm the financial capacity of the proponent. This section details the review that will be conducted and the documents that are required of the lead proponent.

Failure to comply with the financial information submission requirements set out in 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).

4.6.1 Financial Capacity Review

Once identified, the lead proponent(s) will be requested to provide 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:

Proponents must provide a complete set of signed, detailed, audited financial statements for each of the last three (3) years, and any other relevant financial information that CMHC may subsequently request. The auditor's report accompanying the financial statements must be signed by an appropriate officer of the audit firm.

In the event that the financial statements are not audited, they must be accompanied by a signed review engagement report for each set of annual statements.

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 required information. Partnerships of individuals (as opposed to partnerships of corporations), must provide written permission from each partner allowing CMHC to perform a credit check on them.

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 as required. Where financial statements are available, they should accompany the foregoing statement.

4.7 Other Information

The Proponent may provide other relevant financial information, but is not obligated to do so.

4.8 Pricing Proposal

MANDATORY

Proponents must outline the commission rates to be charged for selling and property management of each property. The selling commission is to include the split between the selling, co-listing agent and listing commission rates (commissions must be expressed in percentage terms). The property management commission will be a fixed percentage of the sales price. The pricing proposal is to be completed on the attached Appendix D and included in the proponent's response.

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.

Commissions:

Minimum commission payable to the selling real estate sales person must be at least 3.5% on the first \$100,000 and 1.5% on the balance. Where co-listing arrangements are included in the marketing plan, the proponent must indicate the split in the listing commission between the proponent and the co-lister. Please include supporting evidence to confirm that the payment to the co-listing REALTOR® is fair and reasonable.

The selling commission rate is to include all items detailed in the Statement of Work in Section 3.3.

Details of Commission:

i) Selling:

- a) Payable to Selling Agent: ____% on the first \$100,000; ____% on the Balance (must be a minimum of 3.5% on the first \$100,000 and 1.5% on the Balance)
- b) Payable to Listing Agent: ____% on the first \$100,000; ____% on the Balance
- c) Total Commission Payable: ____% on the first \$100,000; ____% on the Balance

d) Payable to Co-Lister: ____% on the first \$100,000, ____% on the Balance

To ensure that the commission quoted never results in a fee that is too low, CMHC will pay a minimum selling commission of \$1,500 (split between listing and selling agents to be in the same proportion as in Details of Selling Commission above) for sales of properties with values that do not generate a total commission of at least \$1,500.

ii) Property Management Commission:

The commission rate is to be a fixed percentage and will include all items detailed in the Statement of Work in Section 3.

To ensure that the percentage quoted never results in a fee that is too low, CMHC will pay a minimum property management commission of \$600 for properties with selling values that do not generate a total commission of at least \$600.

CMHC cannot market a property until title to the property is in its name. In addition to these properties, CMHC may choose for, whatever reason, to not market a property. For properties that CMHC has taken over and cannot market, for whatever reason, CMHC would still require property management and bill payment duties, and will pay the Proponent a management fee for the period of time that the property is not marketed. Please provide a monthly fee for these services. Please note that for ranking purposes, CMHC will use a 3 month holding time to calculate the cost based monthly fee provided. (Please note: Fixed monthly fees will be prorated based on the number of days the property is being managed during the respective month.)

In the event that CMHC has requested a property to be taken over and the property is not acquired, please provide a flat fee for this takeover inspection. Please note that this fee will not be used in the ranking process.

Prorated commissions, or commissions not expressed in percentages will be rejected. The commissions quoted must apply to all sales in the entire portfolio except for those sales where CMHC pays a minimum selling commission of \$1,500, and a minimum property management commission of \$600.

Proposals containing more than one pricing structure **will be rejected** and not considered further in the evaluation process

The proponent must provide a response relative to the pricing of its proposed solution.

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 finalize and sign an agreement.

CMHC commits to conducting the evaluation process in a fair and objective manner and treating all proponents equitably. To this end, it has set out detailed terms and conditions and evaluation criteria which will be applied uniformly to all proponents.

As per section 2.11, by submitting a proposal, proponents agree to relinquish all causes of action, claims, complaints or demands that they may have against CMHC arising out of its evaluation of proposals, the alteration of any terms and conditions, the failure to evaluate any proposal, the failure to sign an agreement with a proponent, or the termination of this RFP process.

CMHC intends to conduct the RFP process such that the proposal that represents the best value to CMHC, based on its operational requirements, is selected. The lowest cost proposal will not necessarily be selected. CMHC reserves the right to reject any or all proposals in whole or in part on the basis of this principle.

5.2 Limitation of Damages

The proponent, by submitting a proposal and subject to section 2.11, agrees that under no circumstances will it claim damages in excess of the reasonable costs incurred by the proponent in preparing its proposal. The proponent waives any claim for loss of profits or other indirect or special damages.

5.3 Evaluation Table

The Evaluation Table as provided in Appendix "B" lists 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 this RFP. A proposal must comply with all of the mandatory requirements in order 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.

Each compliant proposal will first be individually evaluated by each member of the Evaluation Committee that is formed by CMHC for this purpose. Evaluators will evaluate each proposal in accordance with the evaluation criteria as shown in the Evaluation Table, Appendix "B". Once

individual evaluations are complete, the Evaluation Committee members will discuss their scores and agree upon a final score for each proposal.

A proposal must meet the minimum upset score (as shown on the Evaluation Table) to be considered.

Each compliant proposal that meets the minimum upset scores shall then be evaluated using the “lowest compliant bid” evaluation process. The compliant proponent with the lowest pricing shall be named the lead proponent.

5.5 Financial Evaluation

Once a lead proponent is identified, CMHC will carry out a credit check and/or a financial capacity on the lead proponent. The financial evaluation will be based on the information that is requested as per Section 4.6 of this RFP.

The financial evaluation is a pass/fail evaluation to determine whether the lead proponent has the financial capacity required to provide CMHC with reasonable assurance that it will be able to meet its obligations if it enters into an agreement with CMHC. If the lead proponent passes the financial evaluation, CMHC is then in a position to begin contract negotiations. If the lead proponent fails the evaluation, it is disqualified from further consideration.

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 contract 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 AGREEMENT

6.1 Overview of Section 6

Attached in Section 6.2 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 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 contract.

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.

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

6.2 Draft Agreement

DRAFT SERVICES AGREEMENT

CMHC FILE No. _____

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")
(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 to CMHC residential real estate marketing and sales and property management services in accordance with the Statement of Work attached as Schedule "A" (the "Services") for selected CMHC owned residential properties in Prince Edward Island, upon and subject to the terms and conditions of this Agreement. CMHC reserves the right to exclude from this Agreement any residential properties which it acquires from time to time in Prince Edward Island.
- 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.

Article 2.0 - Term of the Agreement

- 2.1** The term of the Agreement shall be for a period of one year commencing on _____ and terminating on _____ (the "Term")

2.2 Renewal

The Agreement may be renewed at CMHC's sole discretion for two additional, one year terms, not to exceed a cumulative total of three years.

2.3 Termination

No fault termination

Notwithstanding articles 2.1 and 2.2 above, CMHC may terminate the Agreement for any reason with no penalty or charge by giving thirty (30) 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.

2.4 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.
- 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, 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 Service.

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 Contractor 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 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* in 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 Services Provider will provide and maintain Commercial General Liability insurance with an insurer licensed to do business in Canada with 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:

- cross liability including severability of interest
- personal injury
- broad form completed operations
- broad form property damage
- blanket contractual
- employers liability (or confirmation that all employees including sub-contractors and independent Service Providers 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
- Service Providers 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) Real Estate Errors & Omissions

The Services Provider will provide and maintain Real Estate Errors & Omissions Liability insurance for a limit not less than \$2,000,000. Coverage is to include Services Provider's employees and Services Provider's contract employees (if applicable) as named insured. (If not provided then each subcontractor must carry the same insurance as detailed in the RFP)

C) Property Managers Errors & Omissions

The Proponent will provide and maintain Property Managers Errors & Omissions Liability insurance for a limit not less than \$2,000,000. Coverage is to include Services Provider's employees and Services Provider's contract employees (if applicable) as named insured. (if not provided then each subcontractor must carry the same insurance as detailed in the RFP.)

D) Automobile Insurance

The Proponent will provide and maintain Automobile Insurance with an insurer licensed to do business in Canada with limits of not less than \$2,000,000. Third Party Liability for all motor vehicles used by the Proponent in the performance of this Agreement.

Other conditions

If there are material changes in the scope of Services provided under this Agreement, CMHC may, via the Service Level Change Procedures, request changes to the minimum insurance coverages set out above.

All insurance policies required to be maintained by Services Provider pursuant to this Section 4.8 shall be primary with respect to this Agreement and any valid and collectible insurance of CMHC shall be excess of Proponent's insurance and shall not contribute to it.

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 Services Provider 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 shall be delivered to CMHC upon execution of this Agreement and for each renewal thereafter.

Without in any way restricting CMHC's direction to grant or withhold its consent to a request to subcontract pursuant to Section 4.8 (whatever section it refers to), the Proponent agrees that it shall contractually obligate any subcontractor or independent contractor retained in connection with this Agreement to maintain insurance 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 Proponent 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 Agreement. All insurance policies shall be provided and maintained by the Proponents 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 that 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 cooperate with CMHC to take any measures necessary to ensure compliance with the *Act*. The Contractor further understands and agrees to ensure that services provided to and communications with CMHC employees are available in the official language that predominates in the office in which they work.

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 Contract Administrator

Each Party shall assign a contract 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 contract 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
Regional Manager,
Underwriting and Default Management and Real Estate
1894 Barrington Street, Barrington Tower, 9th floor
Halifax, Nova Scotia B3J 2A8

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

The Services Provider will be responsible for the takeover, property management and marketing and sale services of selected CMHC-owned properties in the province of Prince Edward Island.

The Services Provider will provide, at their expense all those services normally provided to a valued client including but not limited to the following:

A. Takeover

NOTE: Takeover is defined as the date keys are obtained from the approved lender's representative and not the date of the inspection of a selected property.

1. Upon notification in writing from CMHC of a pending property acquisition from a National Housing Act approved lender, obtain keys from the approved lender's representative or management company as directed by CMHC.

Within seven (7) calendar days of notification, the Services Provider is to complete and return to CMHC the CMHC Takeover Report (form supplied by CMHC).

Provide notification in writing to the approved lender's representative **immediately** upon Takeover of the property to confirm that the keys have been accepted and copy CMHC on the notification.

2. If the property keys are accepted, provide access to the property promptly upon Takeover by mounting the appropriate lock box where permitted. Retain one set of keys at the Service Provider's office. Should a takeover inspection be completed by the Service Provider in the normal course, but CMHC subsequently declines takeover of the property, the cost of this inspection is to be included in the fee structure as set out in Schedule B.

3. Provide, at a minimum, one (1) digital picture of each of the following:

- ◆ All rooms of the property
- ◆ Exterior front and exterior back views of the property
- ◆ Street views
- ◆ Any deficiencies and/or health and safety concerns identified during Takeover
- ◆ Oil tank and oil tank Identification plate (if applicable)
- ◆ Mobile/modular/manufactured home identification plate showing make, model and serial number (if applicable)
- ◆ Any additional pictures which may be deemed relevant by the Services Provider or requested by CMHC

All pictures to be jpeg format.

4. Transfer utilities, lot rental, etc. immediately upon takeover and provide confirmation in writing to CMHC when completed. Advise of any arrears outstanding.
5. **Immediately** advise CMHC in writing of all health, life and safety issues.
6. **Immediately** advise CMHC in writing of any environmental concerns/issues. (i.e. oil, mould etc.)
7. **Immediately** advise CMHC in writing of any emergency repairs that are completed.

B. Property Management

1. Purchase lockboxes as required. CMHC will reimburse the Services Provider for the cost of the lockboxes, including HST, upon the receipt of original invoices and supporting documentation. No mark-up costs will be permitted. The type of lockbox will be directed by CMHC. The Services Provider acknowledges that the lockboxes will remain the property of CMHC and the Services Provider will surrender all lockboxes upon the termination of this Agreement. The Services Provider is to keep a stock inventory of the CMHC acquired lockboxes and provide to CMHC upon request.
2. Set heating thermostats at 10 degrees Celsius in properties.
3. Perform a minimum number of security checks (once per week October to April (both months inclusive), twice per month May to September (both months inclusive) and more often if appropriate or necessary) including inspection of all windows and doors and checks of plumbing and heating systems including if applicable the oil tank (interior and/or exterior), oil supply lines, oil furnace, etc. for any indication or evidence of leaks.
4. Perform additional checks of the property as requested by CMHC.
5. Security Check-List will be placed in each property to record weekly, bi-weekly and other inspections as set out in paragraph B.3 above. Original Security Check-List is to remain in the property. Proponent may be asked to forward copies of the Security Check-List (form to be provided by CMHC).
6. Replace burnt out or missing light bulbs with 60-watt light bulbs. Replacement bulbs are to be supplied by Services Provider.
7. Perform lawn cutting services to ensure grass does not exceed 50 mm in height at any time.
8. Remove snow/ice to ensure that municipal by-laws are respected at all times and regardless of applicable by-laws, that the depth does not exceed 10 mm, leaving a cleared width on the walkway of at least 60 cm ensuring cleared access to the main entrance of the property and if applicable, to the oil tank. The driveway is to be cleared to allow access for at least one vehicle.

9. Ensure that conditions are safe for persons entering the premises at all times.
10. Organize meetings/arrangements with representatives of utility companies or contractors at properties to facilitate meter readings and/or other services required.
11. Coordinate winterizing/de-winterizing of plumbing as required, as instructed by CMHC.
12. Shock wells for water tests when requested by CMHC.
13. Coordinate repairs authorized by CMHC, including obtaining estimates. Perform final inspection upon completion of work/repairs and confirm compliance with CMHC-approved Scope of Work. Provide a minimum of two (2) pictures of the completed work.
14. Ensure property is kept safe, secure, clean and presentable at all times. Cleaning and other costs are to be approved in advance by CMHC.
15. As requested by CMHC, arrange for water tests and/or for topping off the oil tank prior to sale closing. A copy of the top up slip is to be provided to CMHC prior to closing.

NOTE: Minor maintenance/repair and cleaning work proposed to be carried out by the Services Provider and not exceeding \$500 (five hundred dollars (inclusive of HST)) per occurrence which has been declared to and approved by CMHC in writing and in advance will be permitted without being in breach of the CMHC conflict of interest clause included in the CMHC standard contract. All maintenance/repair and cleaning estimates in excess of \$500 (five hundred dollars (inclusive of HST)) are to be provided by an independent third party.

C. Tenanted Properties

It is anticipated that the majority of properties included in this Agreement will be vacant. If a property is tenant occupied, the Services Provider, in addition to the above noted items, is responsible to execute the following:

- a) Manage access to the property in accordance with the applicable tenancy legislation in respect of tenants' right to privacy;
- b) Prepare standard form leases for tenant signatures;
- c) Collect and receipt rents (income) due from tenants;
- d) Initiate and prosecute all actions and proceedings as necessary to recover any arrears of rent or security deposits or to evict any tenant and recover possession of the property;
- e) Provide and respond to after hour emergency maintenance items;
- f) Takeover of property once it becomes vacant;
- g) Provide vacancy report at the end of the first working day of the month by address and type of unit;
- h) Provide rental arrears report on the last day of the previous month showing:
 - a. Tenant's name and address
 - b. Number of months in arrears and amount of arrears

NOTE: Services Provider to ensure any action taken meets the requirements in the applicable tenancy legislation.

D. Marketing and Sales

The Services Provider will provide, at their expense all those services normally provided to a valued client when listing a property on the Multiple Listing Service® including but not limited to the following:

1. Within seven (7) calendar days of takeover of a property, prepare a detailed *Comparative Market Analysis* (CMA). The CMA is to contain the following market information as a minimum: (Form to be provided by CMHC)
 - a) a description of the property;
 - b) a comparative analysis of current and recently expired listings of comparable properties;
 - c) recent sales data of comparable properties;
 - d) the average days listed to sales;
 - e) trends to indicate a buyers, sellers or balanced market;
 - f) the listing history of the subject property (provide a copy of the latest MLS expired cut sheet);
 - g) a recommendation for the listing and selling prices based on your analysis;
 - h) PID & PAN# when applicable
2. Complete all aspects of *Listing Agreements* for signature by the designated CMHC representative. All listings are to be submitted to CMHC within seven (7) calendar days of takeover of the property and will be accompanied by a CMA and when applicable, renewal documents are to be provided to the designated CMHC representative ten (10) calendar days prior to the expiration of the listing agreement.
3. All properties are to be listed on the Multiple Listing Service® (MLS®) by a licensed REALTOR®.
4. Immediately upon listing a property, a copy of the MLS® cut sheet will be emailed to CMHC.
5. Subsequent to initial CMA, a new CMA is to be provided every 60 days or as requested by CMHC. These reports (form to be provided by CMHC) must include all information normally required in a CMA with the addition of advertising details; the number of showings, newly listed properties and recommendations for repairs or price reductions.

NOTE: all CMA's must be reviewed, approved and signed by the Services Provider prior to submitting to CMHC.

6. Prepare and/or submit all offers to the designated CMHC representative. Act as the sole liaison between CMHC and all selling Real Estate Firms and Real Estate Agents for all

properties assigned. CMHC's standard schedule (Terms and Conditions – Offers to Purchase) must accompany all offers. (Form to be provided by CMHC)

7. Upon acceptance of an offer by CMHC, provide confirmation in writing of necessary requirements to complete the offer to purchase including but not limited to:
 - a) the waiver of any conditions in the Offer to Purchase
 - b) monitor all the conditions included in the Offer to Purchase and advise CMHC when the conditions are met.
 - c) provide contact information of the purchaser's solicitor, including but not limited to, name, mailing address, e-mail address, phone and fax numbers.
 - d) provide any further documentation or action to support the sale transaction and to ensure prompt closing
 - e) provide a copy of the key to the purchaser's solicitor prior to or at time of closing, as instructed by CMHC. Cost to be included in Property Management fee.

NOTE: CMHC cannot market a residential property until title to the residential property is registered in its name. In addition, CMHC may choose at its own discretion not to market a property. For properties that CMHC has taken over and cannot or chooses not market, CMHC would still require property management and bill payment services of the Services Provider, and will pay the Services Provider a management fee for the period of time that the property is not marketed.

E. Payment of Invoices

1. In addition to the foregoing, the Services Provider shall pay all bills pertaining to the normal operation of the property including but not limited to light and power costs, heating costs, equipment rental costs, water costs, repair costs approved by CMHC, mobile home lot rental and condo fees. These costs shall be reimbursed to the Services Provider by CMHC upon receipt of paid invoices and any supporting documents (i.e CMHC's approval for repairs, cleaning, invoices, etc.) as needed. Property tax bills will be paid directly by CMHC.
2. The Services Provider will invoice CMHC on a monthly basis for the expenses set out in paragraph E.1 above, in a format approved by CMHC by the 10th day of the following month.

F. Other items

1. Maintain complete and accurate paper files (to ensure authenticity and enable files to be easily returned to CMHC) for all activities conducted on behalf of CMHC. These files must be clearly identified by CMHC account number and property name/address, as well as include copies of any related electronic correspondence.
2. No files are to be destroyed during, or after, the term of the agreement.

3. Upon termination of agreement, all files are to be boxed, inventoried and returned to the CMHC local office immediately following the termination for proper retention and disposition.
4. The Services Provider will be required to meet with CMHC representatives at their office in Halifax, Nova Scotia as requested by CMHC. The Services Provider will be responsible for all travel expenses related to these meetings.
5. The Services Provider will submit to CMHC on a monthly basis a contract performance report (report format will be provided by the Services Provider and approved by CMHC).
6. The Services Provider will submit an invoice for payment of real estate commission to CMHC immediately upon confirmation of sale closing. Real estate commissions will be paid to the Services Provider, upon receipt of the sales proceeds by CMHC. Upon receipt, the Services Provider will immediately reimburse the listing and selling agents.

SCHEDULE "B"

MANNER OF PAYMENT

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

The selling commission rate is to include all items detailed in the Statement of Work in Section 3.3.

i) Selling Commission:

- a) Payable to Selling Agent: ____% on the first \$100,000; ____% on the Balance (must be a minimum of 3.5% on the first \$100,000 and 1.5% on the Balance)
- b) Payable to Listing Agent: ____% on the first \$100,000; ____% on the Balance
- c) Total Commission Payable: ____% on the first \$100,000; ____% on the Balance
- d) Payable to Co-Lister: ____% on the first \$100,000, ____% on the Balance

To ensure that the commission quoted never results in a fee that is too low, CMHC will pay a minimum selling commission of \$1,500 (split between listing and selling agents to be in the same proportion as in Details of Sales Commission above) for sales of properties with values that do not generate a total commission of at least \$1,500.

ii) Property Management Commission:

The commission rate is to be a fixed percentage and will include all items detailed in the Statement of Work in Section 3.

Property Management Commission Rate: _____% of selling price (minimum \$600)

Monthly property management fee for properties that CMHC has taken over and cannot market, for whatever reason, CMHC would still require property management and bill payment duties, and will pay the Proponent a management fee for the period of time that the property is not marketed. Please provide a monthly fee for these services. (Please note: Fixed monthly fees will be prorated based on the number of days the property is being managed during the respective month.)

Monthly Fee _____

In the event that CMHC has requested a property to be taken over and the property is not acquired, please provide a flat fee for this takeover inspection.

Flat fee for takeover inspection _____

Payment of Invoices

The Services Provider will invoice CMHC on a monthly basis for reimbursable expenses in a format approved by CMHC by the 10th day of the following month. The Services Provider must allow 30 days from deliver of invoice for payment without interest charges. The Services Provider cannot invoice prior to performance of the service or delivery of the goods.

Payment of Real Estate Commissions

The Services Provider will submit an invoice for payment of real estate commission to CMHC immediately upon confirmation of sale closing. Real estate commissions will be paid to the Services Provider, upon receipt of the sales proceeds by CMHC. Upon receipt, the Services Provider will immediately reimburse the listing and selling agents.

7 SECTION 7 APPENDICES

APPENDIX A

MANDATORY

7.1 Certificate of Submission

_____ hereby:
Company Name Procurement Business Number (PBN)

- I. agrees and understands 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;
- II. agrees to comply with all of the draft Agreement MANDATORY clauses in an unaltered form as stated;
- III. 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;
- IV. offers the terms as set out in this proposal, including any pricing proposal for a period of time as specified in Section 2 of the RFP;
- V. 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;
- VI. represents and warrants that in submitting the proposal or performing the Agreement, there is no actual or perceived conflict of interest;
- VII. 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;
- VIII. certifies that this proposal was independently arrived at, without collusion;

- IX. 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 Agreement or favourable treatment under a Agreement;
- X. authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the proposal;
- XI. 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;
- XII. (for sole proprietorships and partnerships) provide 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 a 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.
- 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 _____, 2015 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.

APPENDIX B

7.2 Evaluation Table

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 1 to 10	UPSET SCORE	SCORE AxB
<p>Services Provider’s Qualifications (Section 4.4)</p> <p>The proposal will be evaluated on the full description of the Services Provider, qualifications and experience of the assigned personnel.</p> <p>a) Description of Services Provider b) Services Provider’s Experience c) Services Provider’s Field Representation d) Financial Procedures</p>	30			
<p>Response to Statement of Work (Section 4.5)</p> <p>The Services Provider must provide detailed information relative to the specifications listed in Section 3 Statement of Work. Specific elements being evaluated are:</p> <p>a) Marketing Plan b) Property Management Plan</p>	70			
TOTALS	100		700	
<p>Selling Commission _____%</p> <p>Property Management Commission _____%</p> <p>Monthly Property Management fee (for properties not being marketed) \$_____</p>				
Lowest Priced proposal meeting upset score?	YES		NO	

APPENDIX C

7.3 Mandatory Compliance Checklist

Submission Deadline	Section 2.3
Offering Period	Section 2.7
Proponent's Qualifications	Section 4.4
Response to Statement of Work	Section 4.5
Financial Information	Section 4.6
Pricing Proposal	Section 4.8
Proposed Agreement	Section 6
7.1 Certificate of Submission	(Section 7, Appendix A)

APPENDIX D

MANDATORY

7.4 Pricing Proposal/Commissions

i) Selling Commission:

The selling commission rate is to include all items detailed in the Statement of Work in Section 3.3.

- a) Payable to Selling Agent: ____% on the first \$100,000; ____% on the Balance (must be a minimum of 3.5% on the first \$100,000 and 1.5% on the Balance)
- b) Payable to Listing Agent: ____% on the first \$100,000; ____% on the Balance
- c) Total Commission Payable: ____% on the first \$100,000; ____% on the Balance
- d) Payable to Co-Lister: ____% on the first \$100,000, ____% on the Balance

Minimum commission payable to the selling real estate sales person must be at least 3.5% on the first \$100,000 and 1.5% on the balance. Where co-listing arrangements are included in the marketing plan, the proponent must indicate the split in the listing commission between the proponent and the co-lister. Please include supporting evidence to confirm that the payment to the co-listing REALTOR® is fair and reasonable.

To ensure that the commission quoted never results in a fee that is too low, CMHC will pay a minimum selling commission of \$1,500 (split between listing and selling agents to be in the same proportion as in Details of Sales Commission above) for sales of properties with values that do not generate a total commission of at least \$1,500.

ii) Property Management Commission:

The commission rate is to be a fixed percentage and will include all items detailed in the Statement of Work in Section 3.

Property Management Commission Rate: _____% of selling price (minimum \$600)

Monthly property management fee for properties that CMHC has taken over and cannot market, for whatever reason, CMHC would still require property management and bill payment duties, and will pay the Proponent a management fee for the period of time that the property is not marketed. Please provide a monthly fee for these services. (Please note: Fixed monthly fees will be prorated based on the number of days the property is being managed during the respective month.)

Monthly Fee _____

In the event that CMHC has requested a property to be taken over and the property is not acquired, please provide a flat fee for this takeover inspection.

Flat fee for takeover inspection _____