

Question 45

Regarding section 4.8. Pricing, please confirm that bidders can replace the roles (e.g. junior, intermediate, senior, project manager/leader) shown in the pricing table with title of the personnel submitted in the proposal. For example, we would like to submit per diem rates or hourly rates for the following roles: partner, managing director, director, manager and senior associate.

Answer 45

Agreed.

Question 46

For section 3.3.3 under “Financial Risk Management Framework”, for the development of corporate wide financial risk management framework (including policies, guidelines & procedures). What is your expectation in terms of the mix of existing policies in place and those that will need to be developed?

Answer 46

In the context of financial risk management policies, we currently have in place corporate-wide Enterprise Risk Management (ERM) policies that cover all activities in the corporation. The ERM policies are undergoing a transformation to reflect a corporate restructuring, change the emphasis and to accommodate CMHC’s new *Three Lines of Defense* model.

Question 47

For section 3.3.3. under “Financial Risk Measurements”, for the requirement on “Research, advice and development of financial risk metrics and financial risk tolerance limits”, what types of risk will it cover (e.g. credit, market, liquidity, etc)?

Answer 47

Credit, Market, and Liquidity risk.

Question 48

For section 3.3.3, under “Pension Fund”, is it a CMHC Pension Fund or the assistance is required for pension funds in general? If CMHC’s then, can you please elaborate on the Pension Fund’s objective (is it to serve the employees of the CMHC, is it a defined contribution plan, etc)?

Answer 48

CMHC defined benefit (DB) pension fund. The objective of the DB pension fund is:

“The overall long-term objective for Fund returns is to achieve a total rate of return, including capital gains and interest, dividends and rental income, which will provide for the liabilities under the Pension Plan and will meet the ongoing benefit policies of the Corporation with an acceptable level and volatility of expected contribution requirements. The nature of the liabilities will change over time, and accordingly the Fund return objective will be reviewed by the Trustees from time to time in view of the emerging structure of the Plan liabilities.”

Question 49

For section 3.3.3, under “Pension Fund”, it is mentioned that the “development of oversight framework to be applied, including tools and metrics to monitor financial risks of pension fund”.

Is this a separate framework from the 'Financial Risk Management Framework' under the same section?

Answer 49

The oversight framework for the Pension Fund is separate from the corporate-wide framework under the heading 'Financial Risk Management Framework.'

Question 50

For section 3.3.3 under “Pension Fund” for the requirement to “Review current pension fund policies/guidelines/reporting and conduct interviews/conference calls to develop a baseline understanding and propose enhancements to policies/guidelines/reports” is there a proposed audience of interviews/conference calls or is it up to the vendor’s discretion? Will this be Internal to CMHC or include external parties as well (and if so, do you have an expectation for the list of external parties)?

Answer 50

The audience will be left up to the vendor’s discretion and will include relevant internal and external parties. The expectation for the external audience would be Canadian financial institutions and other Crown Corporations with defined benefit plans. However, to ensure confidentiality the external audience should be coordinated with the appropriate contact at CMHC.

Question 51

Within section 4.8 Pricing of the RFSO document, the table provided for bidder’s to submit rates has the resource categories listed in what seems a hierarchy order (e.g. Junior to more senior resources). The categories described are generic in nature. In the recent RFSA (Business Consulting and Professional Services for Finance, Information & Technology, and HR (#201405020)) for Transformation services, the levels included were just Junior, Intermediate and Senior and it was a fairly straightforward exercise to map our internal roles (Consultant, Senior Consultant, Manager, Senior Manager and Partner) to those level. In this RFSO, there is the addition of the Project Manager role. Typically, for this type of engagement, a Project Manager would be a Manager/Senior Manager (so not the most ‘senior’ category of resource). As this has an impact on pricing for the categories, can you please confirm if you are expecting the Project Manager role to be a more senior role than the ‘Senior’ Category?

Answer 51

The Project Manager does not have to be the most senior category.