

Request for Supply Arrangement

FOR

Actuarial Services and Financial Risk Modelling Consulting Services

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Canada Mortgage and Housing Corporation

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Canada



SECTION 1 GENERAL INFORMATION

1.1 Overview of Section I

This section provides general information about Canada Mortgage and Housing Corporation (CMHC) and in particular about this Request for Supply Arrangement (RFSAs).

The Request for Supply Arrangement is the first stage of a two stage procurement process. Within this Stage 1, the procurement framework for any subsequent contracts will be detailed and offerors will be evaluated against mandatory criteria and Supply Arrangements (SAs) will be issued to those offerors who substantially comply with the mandatory criteria and have meet or exceeded all upset scores. At Stage 2, contracts may be awarded as requirements become known, based on the framework and process defined herein.

1.2 Introduction and Scope

CMHC wishes to enter into SAs with a selection of vendors (hereinafter referred to as “offerors”) for the purpose of obtaining actuarial services and financial risk modelling consulting services. The duration of these Supply Arrangements will be for three (3) years with the possibility of one option year renewal, not to exceed a cumulative total of four (4) years. The total dollar value of resulting contracts from this SA will not exceed \$3,000,000.

There are two independent streams under this RFSAs that will be evaluated separately: (1) actuarial consulting services and (2) financial risk modelling consulting services. Offerors may bid on one or both streams within their proposal. More detailed specifications can be found in Section 3, “Statement of Goods and/or Services”

1.3 CMHC Background

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

CMHC has more than 2,000 people located at its National Office in Ottawa, and at various Business Service Centers throughout Canada. The Business Service Areas are divided into five regions: Atlantic; Quebec; Ontario; British Columbia; and Prairies & Territories.

Offerors may visit CMHC’s Web site at: <http://www.cmhc-schl.gc.ca/>

1.4 Purpose of Request for Supply Arrangement (RFSAs)

CMHC will use this Request for Supply Arrangement (RFSAs) to retain a source list of 3 qualified offerors for each project stream to provide the services outlined herein on an “as-and-when requested” basis. In a RFSAs process, offers and offerors are qualified in terms of ability to satisfy the stated mandatory criteria, while also providing evidence of their ability to provide “Best Value” to CMHC.

For services under \$50,000, CMHC reserves the right to award a contract to any one of the selected offerors in accordance with existing Corporate Procurement policies. For services over \$50,000, CMHC will seek competitive cost quotations and/or proposals from the offerors retained under the pertinent stream of the SA.

The existence of these SAs does not provide the selected offerors with any exclusive rights to the provision of services outlined herein. CMHC reserves the right to contract with other offerors to obtain these services if required.

1.5 Schedule of Events

The following schedule summarizes significant target events for the RFSA process. The dates may be changed by CMHC at its sole discretion and shall not become conditions of any SAs which may be entered into by CMHC and the selected offerors.

Date	Activities
July 15, 2016	Request for Supply Arrangement issued
August 8, 2016	Submission of questions deadline
August 15, 2016	Offer Submission deadline
August 2016	Evaluation and selection of SA offeror(s)
September 2016	Announcement of successful SA offeror(s)
September 2016	Debriefing of unsuccessful SA offerors as requested

1.6 Terms and Conditions of Offer and Any Resulting Contract

The general terms, conditions and clauses identified herein by title, number and date, are hereby incorporated by reference into and form part of this offer solicitation and any resulting contract, as though expressly set out herein, subject to any other express terms and conditions herein contained.

1.7 RFSA Potential Service Providers

CMHC's contracting and procurement activities are decentralized among CMHC's National Office in Ottawa and various Business Service Centres throughout Canada.

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

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

1.8 Income Tax Reporting Requirement

As a federal Crown Corporation, CMHC is obliged under the Income Tax Act and Regulations to report payments made by the Corporation 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 it to complete the T1204 supplementary slip. The SA Holders will be required to complete and sign a Supplier - Direct Deposit and Tax Information Form (CMHC/SCHL 3085) prior to execution of any contract resulting from this RFSA.

1.9 Procurement Policy Re: The Environment

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

SECTION 2 INSTRUCTIONS, TERMS AND CONDITIONS FOR SUBMITTING AN OFFER IN RESPONSE TO THIS REQUEST FOR SUPPLY ARRANGEMENT (RFSA)

2.1 Overview of Section 2

The purpose of Section 2 is to inform the offeror about CMHC's offer submission requirements pertaining to this RFSA process.

2.2 Certificate of Submission

The Certificate of Submission, Appendix A, summarizes some of the mandatory requirements set out in the RFSA. All offeror offers Must include a Certificate of Submission (or an accurate reproduction) signed by the offeror.

Offerors Must submit a signed Certificate of Submission as part of their offer. Should an offeror not include the signed Certificate of Submission the offeror will be notified by CMHC and given 48 hours in which to meet this requirement.

2.3 Delivery Instructions and Deadline (E-BID)

Timely and correct delivery of offers to the exact specified proposal delivery address is the sole responsibility of the offeror. All risks and consequences of incorrect delivery of offers are the responsibility of the offeror. CMHC will not assume or have transferred to it those responsibilities. All registered times will be in accordance with the time CMHC computer servers receive the offer, not the time the offer was sent by the offerors.*

* Please be advised that E-BID has a size limitation 10 MB. It is advisable and recommended that offerors submit their proposal in multiple smaller files.

It is recommended that the offeror send an e-mail as soon as possible after the E-BID offer has been sent, notifying the contact person named in Section 2.4 Inquiries, that an offer has been submitted to E-BID, including the company name and e-mail address, with the date and time the offer was sent.

Upon receipt of offers, an automated confirmation will be issued to the sender's e-mail address. It is strongly recommended that offerors 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. Offerors should ensure that sufficient delivery time is allowed for offers to be received.

a) Address for Delivery

Offers, 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: **RFSA, file # 201601119**

b) Format

Offers may be submitted in MS Word or Adobe Acrobat PDF in English or in French.

NOTE: In certain email programs the "Send" format may need to be specified as either "HTML" or "Plain Text". Rich Text formatted or Compressed (Zipped) documents cannot be opened by CMHC.

c) Offer Opening and Verification Period

All EBID offers received on or before the closing date and time specified in this RFP, will be opened for evaluation purposes and verified by CMHC. If at that time, CMHC is unable to open an offer, the offeror will be so advised and provided an opportunity to resubmit an openable version within 2 hours from notification.

d) Offer Submission Deadline
Mandatory

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

2:00 p.m. EDT (local Ottawa time), on August 15, 2016

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

2.4 Inquiries

All questions regarding this RFSA must be sent by e-mail to the following:

Monika Morrison

Senior Procurement Advisor

mmorriso@cmhc.ca

Information given verbally by any person within CMHC shall not be binding upon CMHC. Offerors must have written confirmation from CMHC for any changes, alterations, etc., concerning this RFSA. CMHC cannot guarantee a reply to inquiries received less than 5 days prior to the closing date.

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

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

2.5 Communication

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

2.6 Offeror Contact

The offeror 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

All responses must provide that the terms of the response including the pricing proposal, shall remain valid and binding on the offeror for a period of 90 Days following the closing date.

2.8 Changes to Offer

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

2.9 Liability for Errors

While CMHC has made considerable efforts to ensure an accurate representation of information in this RFSA, the information contained in this RFSA is supplied solely as a guideline for offerors. The information is not guaranteed or warranted to be accurate by CMHC, nor is it necessarily comprehensive or exhaustive. Nothing in this RFSA is intended to relieve offerors from forming their own opinions and conclusions in respect of the matters addressed in this RFSA.

2.10 Verification of Offeror’s Offer

The offeror authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the offeror’s offer.

2.11 Ownership of Offers

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

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

2.12 Proprietary Information

Information contained in this RFSA is to be considered “Proprietary Information” and the offeror is not to disclose this information to any party other than the offeror’s employees or agents participating in the response to this RFSA.

2.13 Corporation Identification

The offeror agrees not to make any use whatsoever of CMHC’s name, logo or initials including public advertisement, without the express written consent of CMHC.

2.14 Declaration re: Gratuities

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

2.15 Conflict of Interest

- a) The SA Holder and its principals, employees and agents shall avoid any conflict of interest during the term of this Supply Arrangement and shall immediately declare any existing, potential or apparent conflict and shall, upon direction of CMHC, take steps to eliminate any conflict or perception that a conflict of interest exists.
- b) The SA Holder must not provide any services to any third party in circumstances that might reasonably give rise to a conflict of interest, including a conflict between the SA Holder's duties to that third party and the SA Holder's duties to CMHC.
- c) In the event that a conflict of interest, real or perceived, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately terminate the Supply Arrangement and any outstanding contracts resulting from the SA. All portions of the Services which have been completed at the date of termination of any contract resulting from the SA shall be forwarded to CMHC and CMHC shall be liable for payment to the SA Holder of an amount which, in the sole opinion of CMHC, constitutes reasonable payment for the partial performance of the SA Holder's obligations under the contract. Upon such payment, CMHC shall have no further obligation of any nature or kind to the SA Holder.
- d) Any former public office holder must be in compliance with the post-employment provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders (2012) in order to derive a direct benefit from any contract which may arise from this Supply Arrangement.

2.16 Declaration re: Bid Rigging and Collusion

In submitting its offer, the offeror certifies that:

- a) prices as submitted in its offer have been arrived at independently from those of any other offeror;
- b) the prices as submitted have not been knowingly disclosed by the offeror, and will not knowingly be disclosed by the offeror prior to the award of a Supply Arrangement, directly or indirectly, to any other offeror or competitor; and
- c) no attempt has been made, nor will be made, to induce any other person to submit, or not to submit, an offer, for the purpose of restricting competition.

2.17 Intellectual Property Rights

All information and materials produced under any contracts resulting from this Supply Arrangement shall be the exclusive property of the offeror and the offeror shall have copyright therein. Without restricting the scope of any license or other right that CMHC may otherwise hold, the offeror hereby grants to CMHC an exclusive, perpetual, irrevocable, fully-paid and royalty-free right and license to use all or part of the information and materials produced under any contracts resulting from this Supply Arrangement world-wide, with the right to modify the information or materials for any purpose related to the current or future operations of CMHC. The license so granted shall survive the termination of the Supply Arrangement.

2.18 Non-Disclosure of CMHC Information

Under this section, "CMHC Information" refers to any and all information which is managed, accessed, collected, used, disclosed, retained, received, created or disposed of in order to fulfill the requirements of the Supply Arrangement, however obtained. Without limiting the generality of the foregoing, CMHC Information includes data held in any type of electronic format and information provided directly, indirectly or through third parties to the SA Holder, reseller, agent or any other person engaged to perform the Services under the Supply Arrangement.

The SA Holder 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 of all times. The

SA Holder further understands and agrees to treat all CMHC Information as proprietary, confidential and sensitive unless otherwise specifically agreed to in writing by CMHC. The SA Holder shall restrict access to CMHC Information to those persons who have a need to know this information in order to perform the Services under any contract awarded as a result of the Supply Arrangement.

The SA Holder shall ensure that CMHC Information shall remain in Canada and expressly agrees to segregate CMHC Information (whether in electronic format or in hard copy) from any other information in a database or repository physically independent from all other databases or repositories. Without limiting the generality of the foregoing, the SA Holder shall not and shall ensure that any subcontractor, reseller, agent or any other person engaged to perform any part of the Services does not release, share or otherwise divulge CMHC Information to any other person including subsidiaries, branch offices, partners of the SA Holder 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, person or body, the SA Holder 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 SA Holder also agrees that in the event that disclosure of CMHC Information is required by a valid and applicable law, it shall, in cooperation with CMHC, do all things possible 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.

2.19 Offeror's Procurement Business Number (PBN)

As a potential supplier to CMHC, an important feature is the Procurement Business Number (PBN) created using the Canada Revenue Agency Business Number to uniquely identify a company and its branches, division, or offices, where appropriate.

All Canadian companies MUST have a PBN prior to the award of any Supply Arrangement as a result of this RFSA. Non-Canadian companies are strongly encouraged to obtain a PBN.

Companies may register for a PBN in the Supplier Registration Information (SRI) Service on line at the Business Access Canada Internet site at: (<https://buyandsell.gc.ca/>) In order for companies to be sourced by CMHC, they must complete the registration process and activate their account in the SRI service.

For non-Internet registration, please contact the Business Access Canada InfoLine at 1-800-811-1148, to obtain the telephone number of the Supplier Registration Agent nearest you.

2.20 Costs Associated with the Preparation of Offers

No payment shall be made for costs incurred in the preparation or submission of an offer in response to this RFSA for any reason whatsoever, including cancellation of this pre-qualification instrument at any time by CMHC.

No payment shall be made for costs incurred before receipt of a signed Contract under any resultant SA.

SECTION 3 STATEMENT OF SERVICES TO BE COVERED UNDER THIS SUPPLY ARRANGEMENT

3.1 Overview of Section 3

This section of the RFSA is intended to provide offerors with the information necessary to develop a qualifying offer. The Statement of Services is a complete description of the services that may be required under this SA.

3.2 Statement of Services

3.2.1 Background

CMHC requires actuarial consulting services for its mortgage default insurance products. Services are needed several times a year, mainly in the areas of financial stress testing, capital management, pricing and validation of risk analysis for its mortgage insurance activities.

CMHC also requires financial risk modelling consulting services for its mortgage insurance and securitization activities. Services are needed several times a year, mainly in the areas of financial stress testing, economic capital determination for various usages (e.g., pricing, performance, risk limit setting and linkage to risk appetite), data management and capital management.

The Services will include but are not limited to providing recommendations and advice with respect to the 2 Project Streams listed below. The offerors' submissions will be evaluated and considered separately for each Project Stream.

3.2.2 Stream 1 – Actuarial Services

CMHC is looking for actuarial consulting services relating to the following types of work:

- Development and review of models, supporting data, methods and analysis used in the pricing and valuation of various mortgage default insurance products.
- Opinion as to the reasonableness of actuarial analysis, valuation and pricing of mortgage default insurance products;
- Analysis of impacts related to the introduction of new mortgage insurance products;
- Development and review of models and assumptions used in risk analysis related to mortgage default insurance;
- Development and review of models, supporting data, methods and analysis used in the stress testing and capital management process of CMHC's mortgage insurance activities;
- Advice with respect to best practices in stress testing and guidance and direction to assist in the stress testing process;
- Advice with respect to capital management best practices and guidance and direction to assist in estimating and managing economic capital;
- Advice and analysis to support CMHC's Own Risk and Solvency Assessment (ORSA) process;

3.2.3 Stream 2 – Financial Risk Modelling Consulting Services

CMHC is looking for financial risk modelling consulting services involving the following types of work:

- Advice, guidance and direction with respect to best practices in the areas of financial analysis, financial risk management, stress testing, capital modelling and management for CMHC's mortgage insurance and securitization business lines;
- Advice with respect to technology and resource requirements for stress testing and capital management;
- Development and validation of models, production of supporting data and its management, methods and analysis used in determining default probabilities and loss distributions from insured mortgages and investments due to credit, market, operational and other risks;
- Development and review of models, production of supporting data and its management, methods and analysis used in determining losses from securitization vehicles due to liquidity, credit, market, operational and other risks;
- Advice and analysis to support CMHC's Own Risk and Solvency Assessment (ORSA) process;
- Support for risk management processes including project management expertise in coordinating project teams, report preparation and management of timelines.

SECTION 4 OFFER REQUIREMENTS

4.1 Overview of Section 4

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

Response #

- 4.2 Covering Letter
- 4.3 Offeror's Qualifications
- 4.4 Response to Statement of Services
- 4.5 Project Management Plan
- 4.6 Financial Information
- 4.7 Pricing Scenarios

Elaborate or unnecessarily voluminous offers are not desired. Offerors are encouraged to take care in completely answering questions and offer requirements and to avoid submitting extraneous materials that do not show how the offeror is able to meet SA requirements.

Requirements for each Response Item are detailed below.

4.2 Covering Letter

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

- a) A description of the company or joint venture/consortium.
- b) The names of the principals.
- c) The primary contact person with respect to this RFSA: 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 any contracts issued from this SA.

4.3 Offeror's Qualifications

Mandatory

The offeror's offer MUST include information about the offeror's qualifications for each stream as follows:

Stream 1:

- a) The lead actuary on the SA must be a Fellow of the Canadian Institute of Actuaries (FCIA);
- b) Experience with valuation, ratemaking and pricing insurance products in various lines of business; experience with mortgage insurance is an asset;
- c) Experience in the area of stress testing and capital management of insurance companies;
- d) Experience in various other areas of actuarial practice showing the breadth and depth of experience;
- e) Experience with respect to the various elements on an insurer's ORSA process.

Stream 2:

- a) Experience in modelling residential mortgage defaults, and/or retail credit loss modelling;
- b) Experience in portfolio credit loss modelling, and in estimating capital requirements for credit losses;
- c) Experience in the area of stress testing and economic capital modelling for financial institutions, including but not limited to insurance companies;
- d) Experience in assisting financial institutions with meeting regulatory expectations with respect to model validation, and documentation and statistical quality standards;
- e) In depth understanding of various capital requirements for Canadian financial institutions, including the ORSA requirements for P&C insurers;

For both Streams:

- a) A description of the firm and service delivery specialization.
- b) Résumés for all project personnel who would be assigned to the CMHC account.
- c) References: A list of the three (3) most recent contracts of a similar size and scope which the offeror currently holds or has held. For each contract, the following information is required: company name and address; contact person name and phone number. CMHC may approach any such contact person for information relating to the quality of services provided by the offeror.

4.4 Response to Statement of Services

Mandatory

In this section, the offeror **MUST** provide detailed information relative to the specifications listed in Section 3, The Statement of Services to be covered under this SA.

4.5 Project Management Plan

For each stream, the proponent must provide the following information:

- a) **Project Management Approach:** The offeror shall describe its project management approach and the project management organizational structure including reporting levels and lines of authority.
- b) **Quality Control:** The offeror shall describe its approach to quality control including details of the methods used in ensuring quality of the services, and response mechanisms in the case of errors, omissions, delays, etc.
- c) **Status Reporting to CMHC:** The offeror shall describe its status reporting methodology including details of written and oral progress reporting methods.
- d) **Work Schedule:** The offeror shall describe the method it will use to ensure compliance with the work schedule.
- e) **Interface with CMHC:** The offeror shall describe and explain its interface points with CMHC, all interface mechanisms, and how interface issues and difficulties will be resolved.

4.6 Financial Information

Mandatory

Sole proprietorships and partnerships **Must** provide a statement contained within their offer giving written permission for CMHC to perform a credit check as required.

4.7 Pricing Scenarios

Mandatory

The offeror **Must** provide hourly rates for all project personnel included in their proposal, and any other pre-determined rates associated with the delivery of the services described in this RFSA.

The pricing schedule should include per diem rates, hourly rates and any other pre-determined rates associated with the delivery of the services described in this RFSA.

Under stream 1, the offeror must include the breakdown between project personnel for a “typical” pricing project where pricing is developed for a new insurance product.

Under stream 2, the offeror must include the breakdown between project personnel for a “typical” project in delivering model specifications, overseeing model development and implementation (in which work may be assumed to be carried out with an even mix of offeror and CMHC personnel), documentation and validation.

Applicable taxes should be shown as a separate line item.

All prices in the pricing scenarios are to be quoted in Canadian dollars.

SECTION 5 EVALUATION AND SELECTION

5.1 Overview of Section 5

Section 5 describes the process CMHC will use to evaluate offers and qualify SA Holders. The top three (3) offerors, in each stream, that meet all of the mandatory criteria and meet or surpass any stated **upset scores**, will be awarded a Supply Arrangement. Receipt of a Supply Arrangement does NOT automatically mean that an offeror will receive subsequent Contracts.

CMHC reserves the right to accept or reject any or all offers in whole or in part.

CMHC shall conduct the RFSA process in a visibly fair manner and will treat all offerors equitably. To this end, it has established objective RFSA standards and evaluation criteria which will be applied uniformly to all offerors. Therefore, no offeror shall have any cause of action against CMHC arising out of a failure to award a Supply Arrangement, the failure to evaluate any offer, or the methods by which an offer is qualified.

5.2 Limitation of Damages

The offeror, by submitting an offer, agrees that it will not claim damages in excess of an amount equivalent to the reasonable costs incurred by the offeror in preparing its offer for matters relating to the Supply Arrangement in respect of the SA process, and the offeror, by submitting an offer, waives any claim for loss of profits if no SA is made with the offeror.

5.3 Evaluation Table

The Evaluation Table as provided in Appendix "B" lists all the criteria upon which each offer will be evaluated. The criteria are based on the requirements as provided in this RFSA.

5.4 Evaluation Methodology

Each offer will be examined to determine substantial compliance with each mandatory requirement identified in this RFSA. An offer must substantially comply with all of the mandatory requirements in order to proceed in the evaluation process. An offer which is deemed by CMHC to be non-compliant in one or more mandatory requirements will be eliminated from further consideration for that specific technical stream. An offer which meets all the mandatory requirements will be deemed substantially compliant and will proceed in the evaluation process.

Each substantially compliant offer shall be evaluated by an Evaluation Committee made up of qualified personnel. Each Committee member shall evaluate and numerically score each offer in accordance with the evaluation criteria as shown in the Evaluation Table, Appendix "B".

An offer must meet the minimum upset score in each category (as shown on the Evaluation Table) to remain in the evaluation.

For each stream, the three (3) compliant offers with the highest scores that meets the minimum upset scores in each category shall then be retained under a SA.

5.5 Offeror Selection

Acceptance of an offer does not oblige CMHC to incorporate any or all of the accepted offers into a Supply Arrangement, but rather demonstrates a willingness on the part of CMHC to enter into negotiations for the purpose of arriving at satisfactory Supply Arrangements with one or more parties. CMHC reserves the right to alter the stated requirements as needs require and to accept an alternate offer included in any offeror's offer.

Without changing the intent of this RFSA or the qualifying offerors' offer, CMHC will enter into discussions with the qualifying offerors for the purpose of finalizing Supply Arrangements. If at any time CMHC decides that any qualified offeror cannot satisfy CMHC's requirements, CMHC may terminate negotiations.

Announcement of the successful offerors will be made to all offerors following the notification of the Supply Arrangement offerors.

5.6 Financial Review

CMHC will carry out a credit check and/or a financial capacity on the lead offerors before beginning SA discussions. This is a pass/fail test. Pass means that SA discussions begin. Fail means that the lead offerors may not enter into SA discussions and are disqualified from further consideration. The financial review will be based on the information supplied by the offeror as per Sections 4.6.1 and 4.6.2 of this RFSA.

SECTION 6 TERMS AND CONDITIONS - SUPPLY ARRANGEMENT AND ANY RESULTING CONTRACTS FROM THIS SA

6.1 Overview of Section 6

A Supply Arrangement is an agreement between a SA Holder (Offeror) and CMHC detailing the procurement process, clauses, terms and conditions and technical requirements for any resulting procurements by CMHC. CMHC reserves the right to issue RFPs or RFQs to all SA Holders or issue RFPs or RFQs to a limited number of SA Holders in accordance with the terms set out in this Supply Arrangement. The terms and conditions in this Supply Arrangement will be incorporated into any resulting contracts from this RFSA. CMHC reserves the right to add or remove terms and conditions during contract negotiations.

The Supply Arrangement is not in itself a contract, but rather a base document that forms part of any resulting RFPs, RFQs, and contracts. When being issued a Supply Arrangement, the SA Holder accepts the obligation to provide the specified services in accordance with the Supply Arrangement, under any resulting contracts that may be awarded.

The offer and all associated correspondence from the Offeror, where relevant, shall to the extent desired by CMHC form part of the final Supply Arrangement and the Offeror must accept that the final Supply Arrangement will be in a format acceptable to CMHC.

Submission of an offer constitutes acknowledgment that the Offeror has read and, unless otherwise stated in the offer, agrees to be bound by the terms and conditions in this Supply Arrangement in section 6.2 in the event that the Offeror is selected by CMHC to enter into a Supply Arrangement or a resulting contract.

For the purposes of this section the term “SA Holder” refers to the successful Offeror with whom CMHC enters into a Supply Arrangement.

6.2 Supply Arrangement Terms & Conditions

The attached Supply Arrangement and Resulting Contract Terms & Conditions forms section 6.2 of this RFSA.

SUPPLY ARRANGEMENT AND RESULTING CONTRACT CLAUSES, TERMS & CONDITIONS FOR ANY CONTRACTS AWARDED UNDER THE SA

1. The Services

- 1.1 The SA Holder covenants and agrees to provide actuarial services and/or financial risk modelling consulting services on an 'as and when needed' basis.
- 1.2 The SA Holder acknowledges that this Supply Arrangement by itself is not a Contract. For Services under \$50,000, CMHC reserves the right to award a Contract to any one of the selected Offerors in accordance with its existing Corporate Procurement Policies. For Services over \$50,000, a minimum of 2 vendors with whom CMHC has issued Supply Arrangements will be requested to submit proposals or quotations for Services to be done, as required. A winning Offeror will be selected and a Contract will be issued, in accordance with the provisions of the Supply Arrangement.

2. Terms of the Supply Arrangement

- 2.1 This SA shall be for a period of 3 years, commencing on {date}, xxxx and ending on {date}, xxxx.
- 2.2 The SA Holder shall provide services to CMHC in accordance with the terms and conditions as stated within the RFSA.

3. Financial

- 3.1 In consideration of the carrying out 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 in the RFSA Response or rates submitted as part of any resulting RFP/RFQ. Offerors' pricing provided to CMHC in their offer, will form part of any resulting Contract and must be fixed for the term of the Supply Arrangement. Price increases may be negotiated for each successive renewal term.
- 3.2 The amount payable to the Contractor by CMHC pursuant to Article 3.1 is exclusive of all taxes, rates or other levies payable by the Contractor, including any goods and services tax or retail sales tax. Upon request, the Contractor shall provide CMHC with satisfactory evidence of the payment of all such taxes, rates or levies as is the case with any disbursement the Contractor has made.
- 3.3 GST, HST or PST, to the extent applicable, will be incorporated into all invoices and shown as a separate item on invoices. All items that are zero-rated, exempt or to which GST, HST, or PST does not apply, are to be identified as such on all invoices. The Contractor agrees to remit to Canada Revenue Agency any amounts of GST and HST paid or due pursuant to this Arrangement. The Contractor agrees to remit to the appropriate Provincial Government any amounts of PST paid or due pursuant to this Arrangement.

3.4 Invoicing

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(s) as outlined in any resulting Contract.

3.5 Audit

The Contractor shall maintain proper records and accounts during the term of the Agreement and for a period of three (3) years following the end of the term and any renewals thereof. 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 Corporation'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 Corporation agrees to cooperate with the Contractor in the course of conducting any audit in order to avoid disruption in day-to-day operations and not to break confidentiality.

3.6 All invoices, notices and requests for payment must make reference to this Supply Arrangement and resulting Contract number and be forwarded to CMHC at the following address:

Canada Mortgage and Housing Corporation

Name _____

Title _____

Room _____

700 Montreal Road
Ottawa, Ontario
K1A 0P7

4. General Terms and Conditions

4.1 Supply Arrangement Termination

Notwithstanding Articles 2.1 and 2.2 above, CMHC may terminate this Supply Arrangement and any resulting Contract for any reason with no penalty by giving thirty (30) days written notice, at any time during the Supply Arrangement period.

4.2 Supply Arrangement Administrator

CMHC has assigned a Supply Arrangement Administrator to oversee this Supply Arrangement. The SA Holder shall be expected to name a counterpart representative. The SA Holder's representative will be responsible for providing scheduled status reports to the SA Administrator or a designate.

4.3 Supply Arrangement Renewal

The Supply Arrangement may be renewed within 30 days of the expiry of the Supply Arrangement, at the sole discretion of CMHC, for an additional one year period, not to exceed a cumulative total of four (4) years, including the initial term of 3 years. Upon receipt of such a request, the SA Holder may agree to such an extension by signing and returning the request, negotiating amendments with CMHC or withdrawing from the Supply Arrangement.

4.4 Assignment of the Supply Arrangement

The Supply Arrangement shall not be assigned in whole or in part by the SA Holder without the prior written consent of CMHC. It is understood and agreed that the SA Holder may engage other entities to assist them in providing certain of the services contemplated in this Supply Arrangement provided that the SA Holder shall at all times remain responsible for the provision and quality of such services in a manner which fully recognizes and respects the confidential nature of the services. The SA Holder undertakes to advise such entities in writing that they are independent contractors, and are not employees or agents of the Corporation. No assignment of this Supply Arrangement shall relieve the SA Holder from any obligation under this Supply Arrangement or impose any liability upon CMHC.

4.5 Supply Arrangement Holder's Indemnification

The SA Holder agrees to indemnify CMHC, its officers and employees for all loss, damages, costs, expenses, claims, demands, actions, suits or other proceedings of every nature and kind arising from or in consequence of

the performance of this Supply Arrangement whether such actions, suits or proceedings are brought in the name of CMHC or in the name of the SA Holder.

4.6 No Limitation

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

4.7 Termination For Default of Supply Arrangement Holder

Notwithstanding anything to the contrary in this document, CMHC may, by giving 10 days prior written notice to the Supply Arrangement Holder, terminate this Supply Arrangement and any resulting Contract without charge with respect to all or any part of this Supply Arrangement for any of the following reasons:

- a) The SA Holder commits a material breach of its duties under this Supply Arrangement, unless, in the case of such breach, the SA Holder, within thirty (30) calendar days after receipt of written notice of such breach from CMHC, in a manner satisfactory to CMHC in its sole, absolute and non-reviewable discretion, (a) cures such breach and (b) indemnifies CMHC for any resulting damage or loss;
- b) The SA Holder commits numerous breaches of its duties under this Supply Arrangement that collectively constitutes a material breach;
- c) A change in control of the SA Holder 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 SA Holder are acquired, by any entity, or the SA Holder is merged with or into another entity to form a new entity, unless the SA Holder demonstrates to the satisfaction of CMHC that such event will not adversely affect its ability to perform the services under this Supply Arrangement;
- d) The SA Holder commits fraud or gross misconduct; or
- e) The SA Holder becomes bankrupt or insolvent, or a receiving order is made against the Supply Arrangement Holder, 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 SA Holder, or if the SA Holder takes the benefit of any Statute for the time in force relating to bankrupt or insolvent debtors.

In the event of a termination notice being given under the provisions of this section, and subject to the deduction of any claim which CMHC may have against the SA Holder arising out of a Contract awarded from this Supply Arrangement or out of termination, payment will be made within thirty (30) days of the date of the invoice from CMHC to the SA Holder for the value of all finished services delivered and accepted by CMHC, such value to be determined in accordance with the rate(s) specified in the current contract.

4.8 Non-Compliance or Default by SA Holder

If the SA Holder fails to comply with a direction or decision of CMHC properly given relating to a Contract under the terms of the Supply Arrangement, or is in default in any other manner under a resulting Contract, CMHC may do such things and incur such costs as it deems necessary to correct the SA Holder's default, including without limitation the withholding of payment due or accrued due to the SA Holder for Services rendered, which moneys may be set off by the Corporation against any expenses that it may incur in remedying a default or failures as described above.

4.9 Force Majeure

In the event that the SA Holder is prevented from fulfilling its resulting Contractual obligations under the terms of this Supply Arrangement by a force majeure or act of God (an event or effect that cannot be reasonably anticipated or controlled), the SA Holder shall notify CMHC in writing, within the shortest period of time. The

said written notice shall be sent by registered mail and shall state the factors that constitute a force majeure or an act of God. Without limiting the application of the above, the following shall constitute cases of force majeure: war, serious public disturbances, all impediments arising from orders or prohibitions of public authority, acts of God, actions of public enemies, strikes, lockout and other labour disputes, riots, flooding, hurricane, fire, explosion or any other natural disasters over which the SA Holder has no reasonable control.

The SA Holder shall take all reasonable means to resume fulfillment of any contractual obligations. If this is not possible, CMHC may to the extent it deems necessary secure the services of any qualified supplier without compensation or obligation to the Supply Arrangement Holder.

4.10 Compliance With Laws

The SA Holder shall give all the notices and obtain all the licenses and permits required to perform the services. The SA Holder shall comply with all the laws applicable to the services or the performance of the contract.

4.11 Laws Governing Agreement

This Supply Arrangement and any subsequent contract shall be governed by and construed in accordance with the laws of Canada applicable therein. Failure by either party to assert any of its rights under the agreement shall not be construed as a waiver thereof.

4.12 Independent Contractor

The SA Holder shall act as an independent Contractor for the purposes of this supply arrangement. It and its employees, officers and agents are not engaged as employees of CMHC. The SA Holder agrees to so advise its employees, officers, and agents. Without limiting the generality of the foregoing, the SA Holder shall retain complete control of and accountability for its employees and agents. The SA Holder shall prepare and process the payroll for its employees directly, and shall withhold and/or pay all applicable employment taxes and payroll deductions required in respect of its employees. All personnel shall, at all times, and for all purposes, be solely in the employment of the SA Holder.

4.13 Supply Arrangement Holder's Authority

The SA Holder 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.

4.14 Corporation Identification

It is agreed that the SA Holder will make no use whatsoever of CMHC's name, logo or initials without the express written consent of CMHC.

4.15 Moral Rights

The SA Holder warrants that the SA Holder is the only person who has or will have moral rights in the material created by the SA Holder and supplied under this Supply Arrangement and the SA Holder hereby waives in favour of CMHC all of the SA Holder's moral rights in the material, as provided for in the law of copyright. Upon the material coming into existence, the SA Holder agrees to execute any document requested by CMHC acknowledging the waiver of the SA Holder's moral rights in the material.

4.16 Intellectual Property Rights

- a) All information, materials or other works of authorship in any form developed or owned by CMHC and disclosed or supplied to or obtained by the Contractor in connection with the Work, including any copyrights and other intellectual property rights therein, shall remain the exclusive property of CMHC,

and neither the Contractor nor its servants or agents shall release, divulge, or publish any such documentation without the prior written consent of CMHC. Without limiting the generality of the foregoing, the rights to mortgage claim patterns and behavioural factors (mathematical relationships) shall remain the exclusive property of CMHC and shall not be used outside the performance of the Work by the Contractor or its servants or agents without the express written consent of CMHC (collectively “CMHC’s Work”).

- b) All information, materials, methods, ideas, concepts, know-how, techniques and other work product, developed or delivered by the Contractor as part of or in connection with the performance of the Work (collectively, the “Contractor’s Work”), including any copyrights and other intellectual and industrial property rights therein, shall belong exclusively to the Contractor, provided that such intellectual property rights of the Contractor shall not extend to any portion of CMHC’s Work which is incorporated into the Contractor’s Work. CMHC will retain ownership of any information specific to its employees or business operations contained in the Contractor’s Work and any conclusions or recommendations therein which are specific to CMHC.
- c) The Work that the Contractor performs, together with the Contractor’s work product that the Contractor delivers to CMHC are provided for CMHC’s internal use, solely for the intended purpose, and may not be referenced or distributed to any other party without the Contractor’s prior written consent. CMHC will own the copies of the Contractor’s work product delivered to CMHC and have the right to use, reproduce and adapt it for internal purposes within CMHC’s organization.
- d) If the Contractor incorporates into the Contractor’s work product any information to which the Contractor’s obligations of confidentiality under this Agreement apply, the incorporated information shall remain subject to such obligations of confidentiality. To the extent that any of the Contractor’s intellectual property is embedded in the Contractor’s Work provided to CMHC under this Agreement, Contractor hereby grants to CMHC a non-exclusive irrevocable, perpetual, fully-paid and royalty-free license to use such intellectual property internally, to the extent necessary to permit CMHC to utilize the Contractor’s Work in accordance with this Agreement. The license so granted shall survive the termination of the SO.
- e) The Contractor further certifies that it will not disclose to CMHC any confidential, secret, and/or proprietary information, which is the property of others and which the Contractor is not authorized to disclose. The Contractor shall be responsible for obtaining, at its own expense, all necessary licenses, permissions or other clearances to third party intellectual property contained in the Work, in order for CMHC to use the Work in accordance with this Agreement.

4.17 House of Commons

No member of the House of Commons shall be admitted to any share or part of any Contract resulting from this Agreement or to any benefit arising therefrom.

4.18 Income Tax Reporting Requirement

As a federal Crown Corporation, CMHC is obliged under the Income Tax Act and Regulations to report payments made by the Corporation to Offerors of goods and/or services by using a T1204 supplementary slip. CMHC must therefore obtain the necessary information from Offerors (including the Contractor’s social insurance number and/or corporate identification number) in order to allow it to complete the T1204 supplementary slip.

4.19 Conflict of Interest

- a) The SA Holder and its principals, employees and agents shall avoid any conflict of interest during the term of this Agreement and shall immediately declare any existing, potential or apparent conflict and

shall, upon direction of CMHC, take steps to eliminate any conflict or perception that a conflict of interest exists.

- b) The SA Holder must not provide any Services to any third party in circumstances that might reasonably give rise to a conflict of interest, including a conflict between the SA Holder's duties to that third party and the SA Holder's duties to CMHC.
- c) In the event that a conflict of interest, real or perceived, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately terminate the Agreement. All portions of the Services which have been completed at the date of termination shall be forwarded to CMHC and CMHC shall be liable for payment to the SA Holder of an amount which, in the sole opinion of CMHC, constitutes reasonable payment for the partial performance of the SA Holder's obligations under the Agreement. Upon such payment, CMHC shall have no further obligation of any nature or kind to the SA Holder.
- d) Any former public office holder must be in compliance with the post-employment provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders (2006) in order to derive a direct benefit from any contract which may arise from this Request for Supply Arrangement.

4.20 Approval of Services

Before advancing any amount of payment to the SA Holder, CMHC reserves the right to determine, in its sole and absolute discretion, whether the resulting Contract for Services has been performed to the satisfaction of CMHC. The method of approving the Services done will be in writing through electronic courier, fax or traditional mail as described in Schedule A attached herein.

In the event the Services are not acceptable to CMHC, CMHC may take such action as it deems necessary to correct the SA Holder's default, including, without limitation, the following:

- a) direct SA Holder to redo the Contracted Services or part of the section which was not completed to CMHC's satisfaction;
- b) withhold payment due or accrued due to the SA Holder for Contracted Services rendered pursuant to this Supply Arrangement;
- c) set off any expenses incurred by CMHC in remedying the default or failures of the SA Holder against payment for Contracted work due or accrued due to the SA Holder;
- d) terminate this Supply Arrangement and any resulting Contracts for default and /or seek indemnification from the SA Holder for losses suffered by CMHC as a result of such default.

4.21 Confidentiality

Offers: Offers will be held in strict confidence. Notwithstanding the foregoing, Offerors are advised that as a Crown Corporation, CMHC is subject to the provisions of the Access to Information Act ("the Act"). Information submitted by Offerors or third parties will only be exempted from disclosure if the records or part of them qualify for an exemption under the Act.

Contracts: The Offeror agrees that all records and information obtained by the Offeror on behalf of CMHC will be kept confidential to the extent required by federal Access to Information and Privacy Legislation of provincial law.

- a) The Offeror or its servants or agents will treat as confidential during, as well as after completion of, any subsequent contract, all information relating to the affairs of CMHC of which it acquires knowledge as a result of its engagement hereunder.

- b) The Offeror shall, at the request of CMHC, provide an Oath of Secrecy for each of its employees or persons engaged in carrying out the service, in a form prescribed by CMHC.
- c) Any documents provided to the Offeror in performance of the service described herein shall be returned, uncopied to CMHC or destroyed by the Offeror within 6 months of the termination of any subsequent contract. For documents not returned to CMHC, the Offeror shall provide specific proof under oath of their destruction.

4.22 Ownership

- a) Any reports prepared exclusively for the Corporation shall remain the property of the Corporation and all copyrights thereto are the property of the Corporation and neither the Contractor nor its servants or agents shall divulge, release or publish any such documentation.
- b) Any and all other information relating to the Corporation and obtained by the Contractor during the course of execution of its duties under this Agreement shall remain the property of the Corporation and shall not be used in any way or disclosed to anyone without the prior written consent of the Corporation.

4.23 Insurance

- a) The Offeror will provide and maintain Commercial General Liability insurance with an insurer license 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:
 - (1) Cross Liability including severability of interest
 - (2) Personal Injury
 - (3) Blanket contractual liability
 - (4) Employers liability (or confirmation that all employees including sub-contractors and independent contractors are covered by Workers Compensation)
 - (5) Non Owned automobile liability
 - (6) Canada Mortgage and Housing Corporation to be added as additional insured.
 - (7) 30 days prior written notice of cancellation to Risk Management Consultant, 700 Montréal Road, Ottawa, Ontario K1A 0P7
 - (8) Contractors liability to include operations of independent contractors (if not provided then each subcontractor must provide a certificate of insurance confirming that they have liability insurance as detailed in the RFP).
- b) The Offeror will provide and maintain Professional Liability Insurance with an insurer licensed to do business in Canada with a limit of not less than \$10,000,000. The policy will provide 30 days prior written notice of cancellation to Risk Management Consultant, 700 Montréal Road, Ottawa, Ontario K1A 0P7. Coverage is to include SA Holders' employees and contract employees (if applicable) as insured. The SA Holder shall ensure that the policy is renewed continuously for a minimum period of five (5) years following the expiration or early termination of this Agreement.

The Offeror will provide a Certificate of Insurance at least 5 days prior to the Supply Arrangement commencement confirming the above insurance policy and evidencing that coverage has been placed with an Insurer licensed to do business in Canada.

It shall be the sole responsibility of the Offeror 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 fulfil its obligation under the SA. Any such additional insurance shall be provided and maintained by the SA Holder at its own expense.

4.24 Non-waiver

The failure of CMHC to insist on strict compliance with one or more of the terms of the Supply Arrangement shall not constitute a waiver of CMHC's right to enforce those terms at a later date. No provision of the Supply Arrangement shall be deemed to have been waived as a result of a breach by either party of the provision, unless such waiver is in writing and signed by the other party. The written waiver by either party of any breach of any provision of the Supply Arrangement by the other party, shall not be deemed a waiver of such provision for any subsequent breach of the same or any other provision of the Supply Arrangement.

4.25 Severability

If any provision of the Supply Arrangement is held by competent authority to be invalid, illegal or unenforceable for any reason, the remaining provisions of the Supply Arrangement and its attachments will continue in full force so long as they express the intent of the parties. If the intent of either party cannot be preserved, the Supply Arrangement shall be either renegotiated or terminated by the parties.

4.26 Suspension of Services and Changes in Specifications

CMHC may, at any time and from time to time, order a suspension of any resulting Contracted 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 SA Holder. If any such suspension, modification, change or addition shall result in an increase or decrease in the cost of the services, the contract price shall be adjusted accordingly provided that the SA Holder 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.

4.27 Non-Disclosure of CMHC Information

Under this section, "CMHC Information" refers to any and all information which is managed, accessed, collected, used, disclosed, retained, received, created or disposed of in order to fulfill the requirements of the Supply Arrangement, however obtained. Without limiting the generality of the foregoing, CMHC Information includes data held in any type of electronic format and information provided directly, indirectly or through third parties to the SA Holder, reseller, agent or any other person engaged to perform the Services under the Supply Arrangement.

- a) The SA Holder 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.
- b) The SA Holder further understands and agrees to treat all CMHC Information as proprietary, confidential and sensitive unless otherwise specifically agreed to in writing by CMHC. The SA Holder shall restrict access to CMHC Information to those persons who have a need to know this information in order to perform the Services under the Supply Arrangement.
- c) The SA Holder shall ensure that CMHC Information shall remain in Canada and expressly agrees to segregate CMHC Information (whether in electronic format or in hard copy) from any other information in a database or repository physically independent from all other databases or repositories. Without limiting the generality of the foregoing, the SA Holder shall not and shall ensure that any subcontractor, reseller, agent or any other person engaged to perform any part of the Services does not release, share or

otherwise divulge CMHC Information to any other person including subsidiaries, branch offices, partners of the SA Holder or subcontractors without the prior written consent of CMHC.

- d) 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 SA Holder 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.
- e) The SA Holder also agrees that in the event that disclosure of CMHC Information is required by a valid and applicable law, it shall, in cooperation with CMHC, do all things possible 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.

4.28 Extras

Except as otherwise provided in any resulting Contract from this SA, no payment for extras shall be made unless such extras and the price thereof have been authorized in writing by CMHC.

5. Supply Arrangement Administration

5.1 The SA Holder shall be notified in writing by CMHC's Supply Arrangement Administrator, of the names of CMHC representatives authorized, from time to time, to assign work and approve payments with respect to the services carried out under this Supply Arrangement.

IN WITNESS WHEREOF this Offer has been signed by the Supply Arrangement Offeror by their duly authorized signing officers. By signing, the Supply Arrangement Offeror agrees to the Terms & Conditions contained herein.

SECTION 7 APPENDICES

7.1 APPENDIX A Certificate of Submission

_____ hereby:

Company Name Procurement Business Number (PBN)

- 1) agrees to provide Services to CMHC, as described in this Offer, on an if, as and when required basis, all in accordance with the Request for Supply Arrangement;
- 2) agrees to the terms as set out in this Offer, for the period of the Supply Arrangement as specified in this RFSA;
- 3) certifies that, at the time of submitting this Offer, 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;
- 4) and warrants that in submitting the Offer or performing any Services awarded from a Supply Arrangement, there is no actual or perceived conflict of interest; or identifies the following conflict of interest
- 5) represents and warrants that in preparing the Offer, there was no actual or perceived unfair advantage due to the receipt of information regarding the RFSA that was not made available to other Offerors;
- 6) certifies that this Offer was independently arrived at, without collusion;
- 7) 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 Supply Arrangement;
- 8) authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the offer;
- 9) agrees to comply with all of the section 6 Terms and Conditions in an unaltered form as stated for any Contract awarded as a result of this RFSA;
- 10) agrees that, in the event of acceptance of its Offer, it will enter Supply Arrangement negotiations in accordance with the RFSA, and, upon successful entry into any resulting Contract with CMHC, it will commit to providing the full scope of Services identified in any resulting Contract.
- 11) agrees that, all the materials produced under the terms of any Contract resulting from this RFSA shall be the exclusive property of CMHC, that CMHC shall have copyright therein; and will not reimburse the Offeror for costs associated with the services, travel or documents produced in response to this RFSA;
- 12) agrees that it and any other persons for which it is responsible, who are to perform the Services as stated in this RFSA, at the request of CMHC will comply with security screening as deemed appropriate;
- 13) authorizes CMHC to perform a credit check and/or financial evaluation, as required.

Signed this _____ day of _____, 2016 at _____, Canada.

Corporations are not required to provide a corporate seal.

Corporation/Individual:

Signature of Signing Authority Name & Title of Signing Authority

Declaration: I have the authority to bind the company.

7.2 APPENDIX B Evaluation Table

a) STREAM 1 – Actuarial Services

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 0 to 5	UPSET SCORE	SCORE AxB
4.3 Stream 1 a) Lead Contact is a Fellow of the Canadian Institute of Actuaries	Mandatory	Pass/Fail	n/a	n/a
4.3 Stream 1, b) through e) and 4.4 both streams a through c) - Mortgage insurance experience (number of years experience, level of experience, relevance of experience to CMHC business); - Experience with ratemaking and pricing insurance products in various lines of business (number of years of Canadian experience, types of insurance products, lines of business) - Experience in the area of stress testing and capital management for insurance companies (years of Canadian experience and other experience, types of risks, projects involving economic capital, types of stress tests) - Experience in various other areas of actuarial practice showing the breadth and depth of experience (years of experience, type of experience)	55		192.5	
4.4 Response to Statement of Services Proponents will be evaluated on their response to the areas of work outlined in Section 3.0. Proponents will be evaluated on their demonstrated understanding and knowledge of mortgage insurance, stress testing and capital management	15		45	
4.5 Project Management Plan <ul style="list-style-type: none"> • project management approach • quality control • status reporting • interface with CMHC) 	15		45	
4.8 Pricing (benefit/points per dollar for the above criteria: best ratio gets full marks and others get a relative rating)	15		n/a	
TOTALS	100			

b) STREAM 2 – Financial Risk Modelling Consulting Services

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 1 to 5	UPSET SCORE	SCORE AxB
<p>4.4 Stream 2 a) though c) and 4.4 both streams a) through c)</p> <ul style="list-style-type: none"> - Mortgage insurance and Securitization experience (number of years of experience, level of experience, relevance of experience to CMHC business); - Experience in modelling mortgage defaults and/or credit losses (years of Canadian experience and other experience, types of mortgages modelled, modelling approaches used); - Experience in the areas of stress testing and capital management for insurance companies (years of Canadian experience and other experience, types of risks, projects involving economic capital, types of stress tests); - Understanding of the capital requirements for Canadian financial institutions, including ORSA requirements for P&C insurers (projects involving regulatory capital determination, type of ORSA project experience); 	55		192.5	
4.5 Response to Statement of Services (Must demonstrate understanding and knowledge of mortgage insurance, stress testing and capital management)	15		45	
4.6 Project Management Plan (project management approach, quality control, status reporting, and interface with CMHC)	15		45	
4.8 Pricing (benefit/points per dollar for the above criteria: best ratio gets full marks and others get a relative rating)	15		n/a	
TOTALS	100			

7.3 APPENDIX C Mandatory Compliance Checklist

- | | | |
|--------------------------|------------------------------------|-------------|
| <input type="checkbox"/> | Delivery Instructions and Deadline | Section 2.3 |
| <input type="checkbox"/> | Offering Period | Section 2.7 |
| <input type="checkbox"/> | Offeror's Qualifications | Section 4.3 |
| <input type="checkbox"/> | Response to Statement of Services | Section 4.4 |
| <input type="checkbox"/> | Financial Information | Section 4.6 |
| <input type="checkbox"/> | Pricing Scenarios | Section 4.7 |
| <input type="checkbox"/> | Certificate of Submission | Appendix A |