

Request for Standing Offers #264 (“RFSO”) Special Examination Auditing Services

Question & Answer # 1

This Question & Answer #1, including any appendices attached hereto (the “Addendum”), amends and clarifies Request for Standing Offers #264 (“RFSO”) Special Examination Auditing Services, as previously amended and clarified (the “RFSO”). The RFSO otherwise remains unchanged and any capitalized words not defined herein have the meaning ascribed thereto in the RFSO.

1. Re: “The maximum total value of any and all standing offers resulting from this RFSO is estimated to be \$1,700,000.00 inclusive of any eligible expenses and applicable taxes, each with a term of four (4) year(s) expiring on October 31, 2020, plus an irrevocable option for the OAG to extend the term for up to two (2) additional one (1) year periods.”

And “up to three (3) contractors to supply audit and related consulting services in support of Crown corporation special examinations on an “as and when required basis”

Is \$1.7M the maximum contract value over four years plus the two additional one year periods or is does it only cover the initial four year contract?

Answer: The maximum contract value has been estimated on the basis of the total value of call-ups likely to be issued under any and all standing offers resulting from the RFSO, including any and all possible call-ups during option years. For greater certainty, the first paragraph on page 1 of the RFSO is amended and clarified as underlined:

The Office of the Auditor General of Canada (“**OAG**”) requires up to five (5) contractors to supply audit and related consulting services in support of Crown corporation special examinations on an “as and when required basis” as further described in Section 2 (Statement of Work) of this RFSO.

In addition, for greater certainty, the first paragraph in Step 5 (Selection of Proposal for Standing Offer Award) in section 3 (Basis and Method of Evaluation) of the RFSO is amended and clarified as underlined:

The OAG intends to select up to five (5) proposal(s) receiving the highest combined total score(s) of technical merit and price for recommendation of standing offer award, which shall be deemed the proposal(s) offering the best value to the OAG, provided that bid price does not exceed the budget available for this RFSO and subject to section 1.7 (Reserved Rights) of this RFSO.

2. Re: "The maximum total value of any and all standing offers resulting from this RFSO is estimated to be \$1,700,000.00 inclusive of any eligible expenses and applicable taxes, each with a term of four (4) year(s) expiring on October 31, 2020, plus an irrevocable option for the OAG to extend the term for up to two (2) additional one (1) year periods."

And "up to three (3) contractors to supply audit and related consulting services in support of Crown corporation special examinations on an "as and when required basis"

In the event of three suppliers selected, is \$1.7M provided to each of the suppliers or is this the maximum amount of all contracts arising from the RFSO regardless of which supplier is engaged?

Answer: Please refer to answer 1 above and section A8 (Ordering Process) of the Articles of Agreement in section 5 (Standing Offer Terms and Conditions) of the RFSO. For greater certainty, section 8.1.3 (Competed Requirements) is amended and clarified as underlined:

Competed Requirements. For orders where the estimated expenditure in respect of the Work for Specialized Expertise exceeds \$25,000 (including Applicable Taxes), the OAG may, in its sole and absolute discretion, solicit bids by inviting a minimum of three (3) suppliers from the list to which this Standing Offer applies to respond to a bid solicitation in the form and content satisfactory to the OAG. For orders where the estimated expenditure in respect of the Work for General Support exceeds \$89,600 (including Applicable Taxes), the OAG may solicit bids by inviting a minimum of three (3) suppliers from the list to which this Standing Offer applies to respond to a bid solicitation in the form attached and content satisfactory to the OAG.

3. Per Section 4.1 there is a 40 page limit on the proposal. Could the OAG clarify what the 40 page proposal limit includes? As examples, does the 40 page limit include the cover page, table of contents, resumes, etc.?

Answer: The page limit described in section 4.1 of the RFSO applies to the Technical Offer only. Any pages containing content that the Bidder intends to be evaluated in response to the rated requirements should be limited to 40 pages, preferably numbered and excluding the cover page and table of contents.

4. Rated Requirement A.2 requires three project summaries. Currently, there is no consideration for the level of involvement of the Bidder in the projects submitted. As such, a Bidder with even minimal or inconsequential roles in major projects could score the same as a Bidder who had much more substantial involvement in the projects. Seeing as the OAG would benefit from a Bidder with greater depth of experience, would the OAG consider including the level of involvement of the Bidder in the project as one of the criteria for which points will be awarded?

Answer: Bidders are expected to provide project summaries that will best demonstrate how they can satisfy various requirements described in SECTION 2 STATEMENT OF WORK. We expect that project summaries

will be provided where Bidder's involvement was substantive. For clarity, Bidders should add a description of their level of involvement to demonstrate that it was substantive.

5. Based on the Statement of Work, specialized expertise "mostly relate to unique Crown corporation core operations but may also be comprised of in-depth, expert knowledge of technical and other domains common to all Crown corporations, such as but not limited to information management and technology".

The current rated requirements of the Bidder does not allow for Bidders to be awarded for depth and breadth of specialized expertise, which would be beneficial to the OAG. Would the OAG consider the following amendments to the scoring criteria(?):

Rated requirements Bidder – D. Other Bidder Capabilities:

- *Awarding points for Bidder capabilities and experience related to Crown corporations core operations through experience with Crown corporations involving cultural-type of business, Crown corporations involving financial-type of business and Crown corporations involving other types of business.*
- *Awarding points for Bidder capabilities and experience related to the areas that may be examined, specifically: Governance, Risk management, strategic planning, performance measurement and reporting, HR management, Information management and technology and Environment.*

Answer: The OAG is satisfied with the rated requirements as specified in the RFSO. For greater certainty, the OAG is interested in receiving proposals that demonstrate depth and breadth of specialized expertise. Bidders may wish to specify the depth and breadth of their specialized expertise in responding to Bidder rated requirement D (Other Bidder Capabilities) as well as Bidder Personnel rated requirement relating to overall diversity.

6. Based on the Statement of Work, specialized expertise "mostly relate to unique Crown corporation core operations but may also be comprised of in-depth, expert knowledge of technical and other domains common to all Crown corporations, such as but not limited to information management and technology". In the current rated requirements of Personnel Qualifications and Experience, it is not clear how points will be awarded for Specialized Expertise. Seeing as the OAG may require various specialized expertise, would the OAG consider specifically requesting personnel in various areas so that the OAG can properly assess whether the Bidder has the personnel in the areas of most interest? For example, having the Bidder include personnel with experience for each of the areas of Governance and risk, HR management, Information management and technology and Environment. Without assessing the personnel for specific areas there is a risk that the Bidder is not able to support the OAG should specialized expertise be required.

Answer: The OAG is satisfied with the rated requirements as specified in the RFSO. For greater certainty, the OAG is interested in receiving proposals that demonstrate depth and breadth of specialized expertise. Bidders may wish to specify the depth and breadth of their specialized expertise in responding to

Bidder rated requirement D (Other Bidder Capabilities) as well as Bidder Personnel rated requirement relating to overall diversity.

7. Given summer vacations and the time required to prepare a quality bid, would OAG provide a 3 week extension to the proposal deadline? This will ensure the OAG receives quality bids from the Bidder community.

Answer: The Deadline for Proposals was previously extended by two (2) periods of one (1) week each.

8. Rated requirement B pertains to Methodology and Project Management. In addition to demonstrating knowledge and understanding of the OAG's special examination approach, our experience has shown that having a Bidder demonstrate what specific complementary methodologies and tools they bring to bear is very valuable. As an example, if the OAG sought expertise to assess a Crown corporation's environmental practices, or HR management practices, or cybersecurity practices, etc., we would have a specific methodology and toolset to enable that type of review. Adding these types of methodologies and tools to complement the OAG's methodology for special examinations is the key to providing additive value to the OAG. As such, would the OAG consider either changing requirement B to focus on what methodologies and tools the Bidder brings to bear? Or alternatively, would the OAG add an element to requirement B to cover off this type of value-added benefit that Bidders can bring?

Answer: Bidders are encouraged to include this consideration in their proposals. While SECTION 2 STATEMENT OF WORK includes references to OAG tools and methodologies, the stated overall objective (II – Objective) is supply and delivery of auditing services to assist in conducting work in accordance with the Standards of the Chartered Professional Accountants of Canada (Standards) as well as OAG audit performance and documentation standards. Therefore, Bidders may bring forth different methodologies and tools as long as they are in accordance with the Standards.

9. For the requirement related to "Personnel Qualifications and Experience", given the length of this contract and the potential different Crown corporations and topic areas that the OAG may require assistance on over that contract term, we would ask that the OAG modify this requirement to allow Bidders to describe their overall capabilities and expertise in various areas of relevance (including the size of resource pool that could be accessed in each area), in addition to requiring Bidders to identify a specific sample resource in each of those areas. This would provide the OAG with a better perspective on what each Bidder has to offer in terms of capabilities and how much bench-strength the Bidder has to offer. This would provide the OAG with greater comfort that they will be able to access that type of expertise when required, as opposed to only evaluating an individual resource who may or may not be available when the OAG issues a future call-up.

Answer: The OAG is satisfied with the rated requirements as specified in the RFSO. For greater certainty, the OAG is interested in receiving proposals that demonstrate depth and breadth of available resources for general support

and specialized expertise. Bidders may wish to specify the depth and breadth of their specialized expertise in responding to Bidder rated requirement D (Other Bidder Capabilities) as well as Bidder Personnel rated requirement relating to overall diversity.

10. Can the OAG clarify, for the Bidder experience rated requirement A, that "Bidder" does not include the parent, subsidiaries or other affiliates of the Bidder, or its subcontractors.

Answer: The definition of "Bidder" in the RFSO does not include the parent, subsidiaries or other affiliates of the Bidder, or its subcontractors.

11. re Rated Requirements 'A' - Bidder Experience, A.2 (iii) "relevance and similarity of clients, including any specific expertise or capabilities in core operations of similar type of businesses to any of the Crown corporations listed in Annex "A" to the Statement of Work"

Does this indicate that full points and/or priority would be given only to experience with similar tasks for a Crown corporation? Or would similar tasks conducted for Federal, provincial or municipal agencies qualify?

Answer: For greater certainty, the OAG intends to evaluate the project summaries submitted on the basis of each element identified in rated criteria A.2. With respect to A.2 (iii), the evaluation will focus on the similarity in the nature of the business operations and processes rather than the type of organization.

12. Please find our question below for the subject bid solicitation:

In the "Personnel Qualifications and Experience" rated requirement on page 17, the following roles and points allocation are provided:

Overall diversity 20 points

General support:

- Manager 5 points
- Senior Auditor / Senior Consultant 25 points
- Auditor / Consultant 10 points

Specialized expertise:

- Manager 10 points
- Senior Auditor / Senior Consultant 30 points

Could the OAG please clarify if it is looking for one resource per role or if multiple personnel can be proposed for one role? If multiple resources can be proposed in one role, how will the OAG determine the overall score for each role category?

Answer: Bidders should clearly identify which resource is proposed for which category. The same resource may be proposed for more than one category, provided that the hourly rate shall apply to the resource category rather than the individual resource. Multiple resources should not be proposed for one resource category. Please also refer to answer #9 above clarifying where the Bidders may demonstrate the depth and breadth of their resources.

13. With regards to Section 4, Proposal Requirements, 4.1 Organization of Proposal: "Technical Offers should be limited to a maximum of 40 pages using 8.5 x 11 inch paper and size 10 font." We respectfully request clarification as to whether the 40 page requirement includes resumes for General and Specialized resources.

Answer: Please refer to question #3 above. Any resumes should be included within the 40 pages the Bidder intends to be evaluated.