



FOR

*APPRAISAL MANAGEMENT SERVICES - PROGRESS ADVANCE VALIDATION
AND APPRAISAL REPORT SERVICES*

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*Originating Department: CMHC,
Insurance, Homeowner Operations and
Support*

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1 SECTION 1 GENERAL INFORMATION

1.1 Overview of Section 1

The purpose of this section is to provide general information about Canada Mortgage and Housing Corporation (“CMHC”) and this Request for Proposal (RFP). All capitalized terms in this document have the meaning ascribed to them within the RFP document, the draft agreement, or in certain cases, are terms that are in common usage at CMHC.

1.2 Introduction and Scope

Canada Mortgage and Housing Corporation (“CMHC”) wishes to enter into one or more agreements (the “Agreement(s)”) with one or more vendors (hereinafter referred to as the “Proponent(s)”) for the purpose of procuring Progress Advance Validations and Full, Drive-by and Desk Appraisals reports for residential properties (collectively, the “Services”) on an as-needed basis.

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

By issuing this RFP and accepting proposals, CMHC assumes the obligation of conducting the process in a fair and transparent manner. CMHC has no obligation to procure any services, or to compensate any proponent for work done other than as may be set out in a written contract with that Appraisal Management Company (Service Provider).

Note: Progress Advance Validations, and Full, Drive-by and Desk Appraisals Report requests for First Nation communities are excluded from this Request for Proposal.

1.3 CMHC Background

CMHC helps Canadians meet their housing needs. As Canada's authority on housing, we contribute to the stability of the housing market and financial system, provide support for Canadians in housing need, and offer objective housing research and advice to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of our operations.

CMHC reports to Parliament and the public on its operations, including mortgage loan insurance, through its annual Corporate Plan Summary, its Annual Report and its Quarterly Financial Reports. CMHC is accountable to Parliament through The Honourable Jean-Yves Duclos MP.

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

Proponents may visit CMHC's website at: <http://www.cmhc-schl.gc.ca/>.

1.4 Purpose of Request for Proposal

CMHC uses an RFP to describe its requirements, ask proponents for their proposed solutions, describe the criteria which will be used in evaluating proposals and selecting a Lead Proponent, and outline the terms and conditions under which the successful proponent will operate or supply goods and/or services. By submitting a proposal, proponents agree to be bound by the terms of this RFP, and the terms of the proposal that they submit.

In this RFP process, proposals and proponents are evaluated in terms of ability to satisfy the stated requirements, while providing best value to CMHC with respect to its requirements.

1.5 Service Providers Database

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

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

1.6 Schedule of Events

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

Date	Activities
October 2, 2017	Request for Proposal issued
October 30, 2017	Deadline for questions
November 6, 2017	Submission Deadline
December 2017	Evaluation and Selection of Lead Proponent(s)
February 2018	Contract awarded
March 2018	Announcement of Selected Proponent(s)
As requested	Debriefing to unsuccessful Proponents

1.7 Mandatory Requirements

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

A mandatory requirement is defined as:

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

Caution: Proposals which fail, in the reasonable discretion of CMHC, to meet any mandatory requirement will be eliminated from further consideration in the evaluation process. Notwithstanding the foregoing, CMHC reserves the right to waive or revise any mandatory requirements during the RFP process if a waiver or revision is necessary to meet the CMHC's intent in issuing the RFP, or to ensure that CMHC receives best value from the process.

In the event that CMHC elects to waive a mandatory requirement, all proponents will be advised of the change in requirements and provided with an opportunity to revise their proposals.

1.8 Proponent Feedback

CMHC aims to continuously improve its bid documents and procedures. CMHC welcomes input regarding proponent experience in responding to its RFPs, whether it be positive or negative. As CMHC does not wish to be perceived as influenced by such feedback in the award decision, proponents are requested to submit their feedback after an Agreement has been executed or the RFP process has been terminated.

*Proponents wishing to provide feedback may submit comments labeled as **Proponent Feedback RFP # 201702640** to the name and address provided in Section 2.4.*

Any proponent who notes a material flaw in the RFP that could prevent the process from being conducted in a fair and objective manner, or that could prevent CMHC from receiving best value from the process, is asked to report the flaw to CMHC as soon as possible, using the inquiry process specified in Section 2.4

2 SECTION 2 SUBMISSION INSTRUCTIONS

2.1 Overview of Section 2

The purpose of Section 2 is to inform the proponent about CMHC’s procedures and rules pertaining to this RFP process.

Proponents are advised that CMHC has provided a Mandatory Compliance Checklist as Appendix E to the RFP. The Checklist is provided for the benefit of proponents prior to submission of their proposals, to help them ensure that they have complied with all mandatory requirements. Non-compliance with a mandatory requirement will result in the proposal being eliminated from further consideration.

2.2 Certificate of Submission

MANDATORY

The Certificate of Submission, attached as Appendix A., summarizes some of the mandatory requirements set out in the RFP. As noted in Section 1.7, it is also a mandatory requirement that a proposal include a Certificate of Submission (or an accurate reproduction) signed by the proponent.

Should a proponent not include the signed Certificate of Submission with its proposal, the proponent will be notified by CMHC and will have 48 hours from the time of notification to meet this requirement.

2.3 Delivery Instructions and Deadline

Timely and correct delivery of proposals to the exact specified proposal delivery address is the sole responsibility of the Proponent. All risks and consequences of incorrect delivery of proposals are the responsibility of the Proponent. 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 submission, not the time the proposal was sent by the Proponent.

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

Submission Deadline: November 6, 2017, 2 p.m. EST

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

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

Please be advised that electronic transmissions may not necessarily be immediate and can experience lengthy delivery delays. Proponents should ensure that sufficient delivery time is allowed for proposals to be received.

Address for Delivery

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

EBID@cmhc-schl.gc.ca

The subject line of the transmission must state: CMHC RFP PROGRESS ADVANCE VALIDATIONS AND APPRAISAL REPORT SERVICES, FILE # 201702640.

Format

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

Submission Deadline: November 6, 2017, 2 p.m. EST

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.

Proposal Opening and Verification Period

All E-BID proposals 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 a proposal, the Proponent will be so advised and provided an opportunity to resubmit an openable version within two (2) hours from notification.

Submission Deadline

MANDATORY

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

2:00 p.m. Eastern Standard Time, on Monday, November 6, 2017

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

2.4 Inquiries

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

*Camille Attia
Senior Advisor, Procurement
cattia@cmhc-schl.gc.ca
613-748-5332*

Changes to this RFP document will only be effective if issued by CMHC in writing as described below.

Proponents are therefore strongly cautioned to request that all clarification, direction and changes be provided in writing, as information given orally by any person within CMHC shall not be binding.

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

In the event that it becomes necessary to revise any part of the RFP as a result of any inquiry or for any other reason, an addendum to this RFP will be provided to proponents e-mail or GETS.

CMHC has no obligation to respond to any inquiry, and will determine, at its sole discretion, whether it will respond to inquiries that are submitted.

2.5 Communication

During proposal evaluations, CMHC reserves the right to contact or meet with any individual proponent in order to obtain clarification of its submission, including clarification of the scope of services offered. Any such communication is limited to clarification purposes only, and proponents will not be allowed to revise their proposal during this process.

2.6 Proponent Contact

The proponent shall name a person in their proposal to act as a primary contact for CMHC during the evaluation period. A secondary contact should also be provided for backup purposes.

2.7 Offering Period

MANDATORY

It is a deemed condition of every proposal that the terms of the proposal, including all terms relating to pricing, shall remain valid and binding on the proponent until such time as an Agreement is negotiated and executed, not to exceed ninety (90) business days following the closing date.

2.8 Changes to Proposals

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

Any addendum, clarification, or new proposal must be submitted as per the delivery instructions outlined in Section 2.3, be clearly marked “REVISION”, and be received no later than the submission deadline. Where the new proposal is intended to replace all or part of an earlier proposal, it must be accompanied by a clear statement specifying the sections of the earlier proposal that are replaced by the new proposal.

2.9 Multiple Proposals

Proponents interested in submitting more than one proposal for consideration may do so, provided that each proposal independently complies with the instructions, terms and conditions of this RFP.

2.10 Acceptable Alternative

An alternative to any portion of a proposal may be submitted as an addendum to a proposal.

Where the alternative proposal relates to a mandatory requirement, the alternative must meet that requirement.

2.11 No Liability

While CMHC has made considerable efforts to ensure that the information in this RFP is accurate and complete, it is possible that errors may exist. The information is not guaranteed or warranted to be accurate by CMHC, nor is it necessarily comprehensive or exhaustive. CMHC will have no liability of any kind to proponents for losses or damages arising from any errors that may be found in the RFP, regardless of how the errors are caused. Proponents remain obliged to make their own investigation of relevant information and to form their own opinions and conclusions in respect of the matters addressed in this RFP.

By submitting a proposal, proponents waive any claim or cause of action that they may have against CMHC or its representatives as a result of the conduct of this RFP process or any resulting contract award, except insofar as they have proof of willful misconduct on the part of CMHC or its representatives. Proponents agree that they will not bring a court action or institute any other proceedings against CMHC for damages arising from the conduct of this RFP or any resulting contract award. This section is intended to be a complete waiver of the proponent's right to claim damages subject to the limited exception noted above.

2.12 Verification of Proposals

The proponent authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the proponent's proposal.

2.13 Ownership of Responses

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

The proponent warrants that the proponent possesses all rights necessary to satisfy this requirement. The proponent hereby certifies that it has waived, or has obtained a waiver in favour of CMHC of, all moral rights in the proposal and related materials, and hereby assigns all rights in the material, as provided for in the law of copyright. The proponent agrees to execute any document requested by CMHC acknowledging CMHC's ownership of the material and the waiver of moral rights therein.

All information regarding the terms and conditions, financial and/or technical aspects of the proponent's proposal which are of a proprietary or confidential nature, must be clearly marked "PROPRIETARY" or "CONFIDENTIAL". Proprietary and confidential markings shall be included beside each item or at the top of each page containing information that the proponent wishes to protect from disclosure.

CMHC will take steps to protect proponents' documents and information so marked from disclosure. Notwithstanding the foregoing, CMHC shall have no liability of any kind to proponents based on the inadvertent or unintentional disclosure of proprietary information.

Proponents are further advised that as a Crown corporation, CMHC is subject to the federal legislation with respect to access to information and privacy. In certain specific circumstances, information submitted to CMHC by third parties may be required to be disclosed pursuant to federal legislation. In such cases, to the extent reasonably possible, CMHC will make efforts to advise the proponent of the required disclosure prior to releasing the information.

2.14 Proprietary Information

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

2.15 Corporation Identification

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

2.16 Declaration with respect to Gratuities

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

2.17 Conflict of Interest

The proponent and its principals, employees and agents shall avoid any real, potential or apparent conflict of interest during the RFP process, and upon becoming aware of a real, potential or apparent conflict, shall immediately declare the conflict to CMHC. The proponent shall then, upon direction of CMHC, take steps to eliminate the conflict, potential conflict or perception that a conflict of interest exists.

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

In the event that a conflict of interest, real, potential or perceived, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately eliminate the proponent from consideration under the RFP or to terminate the resulting agreement. Upon such elimination or termination, CMHC shall have no obligation of any nature or kind to the proponent.

2.18 Declaration with respect to Bid Rigging and Collusion

By submitting its proposal, the proponent certifies that:

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

2.19 Security Clearance

CMHC requires employees of the selected proponent to be security cleared in order to permit them access to CMHC premises if and when required. This process normally takes approximately five working days, but may take longer, depending on the circumstances.

If they are not security cleared, the proponent or its employees will require to be escorted by a CMHC employee to access CMHC premises and will not be granted access to CMHC information and systems or any confidential information. Where the required security clearance is not granted to an individual, CMHC will have the right to exclude that individual from performing the services outlined in this RFP. The failure of an individual to obtain security clearance shall not relieve the successful proponent from any of its obligations under this RFP and any resulting agreement.

2.20 Joint Venture Responses

Joint venture proposals should adequately represent and communicate the proposed roles and responsibilities of each party participating in the joint venture, and must provide a detailed description of the proposed joint venture business arrangement.

The description must, at a minimum, list the companies involved, indicate how long the business arrangement has been (or will be) in existence, outline the goods or service(s) that each respective party would be providing and describe the proposed roles and responsibilities of each party.

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

Joint venture responses must be accompanied by a signed Certification of Submission – Appendix A from each participating entity.

2.21 Non-Disclosure of CMHC Information

Under this section, “CMHC Information” refers to any and all information of a confidential nature, including all personal information, which is managed, accessed, collected, used, disclosed, retained, received, created or disposed of by CMHC in order to complete this RFP process and to fulfill the requirements of any resulting agreement. Without limiting the generality of the foregoing, CMHC Information includes information held in any format and information provided directly, indirectly to the proponent.

The proponent understands and agrees to treat all CMHC Information as proprietary, confidential and sensitive, unless otherwise specifically agreed to in writing by CMHC. The proponent agrees to restrict access to CMHC Information to those persons who have a need to know this information in order to prepare the proponent’s response to this RFP, or perform the work or services under any resulting agreement.

The proponent further acknowledges and understands that all CMHC Information is subject to Canadian laws on privacy and access to information under which CMHC is bound and that CMHC considers CMHC information to be under its custody and control at all times.

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

3 SECTION 3 STATEMENT OF WORK

3.1 Overview of Section 3

This Section of the RFP is intended to provide the Proponents with the information necessary to develop a responsive proposal. The Statement of Work is a complete description of the tasks to be done, results to be achieved and/or the goods to be supplied.

Consideration will only be given to responses from proponents that can provide services to industry standards on a National basis, practice rigorous quality assurance and performance measurement processes and offer the best price in all provinces, territories in urban, rural and remote areas (refer to location types described in Section 3.4.3.1).

Small firms are encouraged to cooperate with those firms that can provide quality service in more than one province (“lead firms”). Lead firms submitting a proposal are responsible for and must arrange any subcontracting work and agreements with small firms which have local real estate market knowledge. The lead firm submitting a proposal, however, will be CMHC's point of contact for every day service, quality and billing. More than one lead firm may be selected as a Lead Proponent.

Each Proponent, when submitting a proposal, must clearly identify the service provision and associated pricing by provinces and territories, please refer to Appendix C.

Should more than one Proponent be selected, CMHC reserves the right to divide the volume of work between Proponents in a way which best meets CMHC's business requirements.

3.2 The objectives of this RFP

The objectives of this Appraisal Report Management Services RFP include the following:

- Securing one or more external Service Provider(s) with the expertise and skills to provide Progress Advance Validations, and Full, Drive-by and Desk Appraisal Reports as described in Section 3.3.1 in all provinces and territories across Canada.*
- Obtaining a fee schedule for all regions across Canada for Progress Advance Validation Services and for Full, Drive-by and Desk Appraisal Report Services.*
- Finding a Service Provider(s) willing to work with CMHC to provide innovation and added value in the area of property valuation to our mutual clients.*
- Finding a Service Provider(s) with established Quality Assurance processes that are implemented and practised.*
- Finding a Service Provider(s) that performs daily quality checks on Appraisal and Progress Advance Validation reports of all subcontractors it utilizes.*
- Finding a Service Provider(s) that will repeatedly measure its performance to ensure timelines are met.*
- Finding a Service Provider(s) with a solid Business Continuity Plan to avoid delays in service.*
- Finding a Service Provider(s) that is proactive in minimizing CMHC's costs.*
- Finding a Service Provider(s) that communicates actively with CMHC regarding service orders and unexpected delays.*

3.3 Mandatory Requirements

A mandatory requirement is a minimum standard that a proposal must meet in order to be considered for further evaluation.

Any mandatory requirements associated with the Statement of Work are clearly identified in Section 4 - Proposal Requirements.

The Mandatory Compliance Checklist is located in Appendix E.

3.4 Terms of Reference

3.4.1 Purpose

The purpose of this RFP is to select one or more Service Provider(s) that can manage the provision of the following services for homeowner properties with one to four units, for the internal use of CMHC:

- i) Progress Advance Validations for Construction Loans; and*
- ii) Full, Drive-by and Desktop Appraisal Reports.*

i) Progress Advance Validations for Construction Loans

CMHC's requirement for Progress Advance Validations will be used to confirm the percentage of completed construction (referred to as a validation) for new and renovated dwellings of up to four units for mortgage insurance or financing purposes only (progress advance draws). The Progress Advance Validations will be required for properties at varying stages of completion or for other situations that are unique.

Progress Advance Validations are for mortgage insurance or financing purposes only and are in no way a statement of the value of the home, the quality of construction, or that construction has been completed in accordance with national, provincial, and/or municipal building codes.

ii) Full, Drive-by and Desktop Appraisal Reports

Full, Drive-by and Desk Appraisal Reports are primarily used in the underwriting/evaluation process of an application that has been submitted to CMHC for mortgage loan insurance. CMHC also uses appraisals to better manage risks posed by fraud or misrepresentation. In this context, the purpose of conducting appraisals is to confirm the property information used in underwriting, to establish whether the building condition is in line with or different from others in the area, and to establish an opinion as to value.

Appraisal Reports will be used for CMHC's mortgage loan insurance purposes and/or its internal use and are not meant to be an endorsement of the quality of the home, the builder or that construction has been completed in accordance with national, provincial, and/or municipal building codes.

The Service Provider(s) may be required to provide appraisals on dwellings (up to four units) of freehold (fee simple), leasehold (leased fee), co-operative, co-ownership, chattel or condominium (strata) title across the country. In addition, the Service Provider(s) may be asked to provide an appraisal on non-standard construction types, conversions of non-traditional housing forms and other unique features. Properties could also be located in a non-market area. Location Types are defined below in sub section 3.4.3.1.

3.4.1.1 Progress Advance Validations

For a validation work order, the agent assigned must have demonstrated experience in the building, mortgage lending or real estate industries and must be capable of conducting the Progress Advance Validations in a professional manner. The completion of an accreditation and/or certification program is expected by CMHC where the members operate under a regional or national standard.

3.4.1.2 Appraisal Reports

Prior to contract award, the Proponent must ensure that appraisers are registered and licensed to practice fee appraisals in their own jurisdictions. For an appraisal work order, the appraiser assigned must have demonstrated experience in the building, mortgage lending or real estate industries and must be capable of conducting the Appraisal(s) in a professional manner. Appraisers must be actively engaged in the fee appraisal industry and must have access to current market listings and sales data.

In jurisdictions where there is no registration requirement, appraisers must be actively engaged in the fee appraisal industry and must have access to current market listings and sales data. The completion of an accreditation and/or certification program is expected by CMHC where the members operate under a regional or national standard.

3.4.2 Quality Assurance Reporting Requirements

MANDATORY

The proponent is expected to have a proven means or process in place that is objective and unbiased to ensure good quality of progress validations and appraisal reports. Either manual or automated, the proponent is expected to clearly describe the frequency and methodology used for the review and monitoring of its employees, sub-contractors or agents performing the work involved.

The Quality Assurance (Q.A.) process includes but is not limited to the quality of reports, processes used to arrive at the results, accuracy of data, completeness, courteousness, and other relevant measures used by the appraisal industry.

The proponent should describe the action(s) taken within the organization to correct poor quality performance and reports including mandatory training imposed, further monitoring, dismissals, corrections of reports as well as any form of reimbursement to CMHC for sub-standard services rendered.

The proponent is expected to document the results of their QA process and any action taken, maintain all documentation and provide CMHC on a monthly (or quarterly) basis a detailed report outlining elements such as files reviewed, observations/findings, action taken, trends, etc. The proponent is expected to be available to participate on monthly calls with CMHC and present the results of their QA process and the findings.

3.4.3 Historical Data - Volumes

a) Based on yearly Canada-wide historical data from 2014, 2015 and 2016, CMHC has requested Progress Advance Validations and Desktop, Drive-by and Full Appraisal Reports; please refer to table in Appendix B.

b) Volumes per Region per Location Type

Based on yearly Canada-wide historical data per region and location type from 2014, 2015 and 2016, CMHC has requested Progress Advance Validations and Desktop, Drive-by and Full Appraisal Reports; please refer to table in Appendix B.

Any estimated volumes specified in this RFP are approximations given in good faith. By submitting a proposal, the Proponent(s) acknowledge that any volumes provided are estimates only and testify to their ability to accommodate increases or decreases in workload as they occur. There is no guarantee on the volumes of requests that will be assigned to the Service Provider(s).

3.4.3.1 Location Types

The Progress Advance Validations and Full and Drive-by Appraisals are defined by three different location types. Depending on the kilometres travelled, the location type is determined as such:

Location Type	Definition
Urban	Properties located within a *census agglomeration (CA) or a census metropolitan area (CMA).
Rural	Properties located within 50 km of a CA or CMA border.
Remote	Properties located beyond rural.

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**CMA and CA: A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a population centre (known as the core). A CMA must have a total population of at least 100,000, of which 50,000 or more must live in the core. A CA must have a core population of at least 10,000.*

The Proponent must deal with any dispute which may arise from determining the location types. If CMHC and the Proponent disagree on the location type, CMHC reserves the right to have the final say.

3.4.3.2 Turnaround Time (TAT) Requirements

The Selected Proponent will be required to provide Progress Advance Validation reports and/or Desk, Drive-by and Full Appraisal reports within the following time frames once the request is sent by CMHC, at least 95% of the time, for all properties located in all regions of Canada.

<i>Appraisal Type</i>	<i>Region category</i>	<i>Required Turnaround Time in business hours</i>
<i>Full appraisals</i>	<i>Urban</i>	<i>Within 20</i>
	<i>Rural</i>	<i>Within 30</i>
	<i>Remote</i>	<i>Within 36</i>
<i>Desktop appraisals</i>	<i>Urban</i>	<i>Within 12</i>
	<i>Rural</i>	<i>Within 12</i>
	<i>Remote</i>	<i>Within 16</i>
<i>Drive-by appraisals</i>	<i>Urban</i>	<i>Within 10</i>
	<i>Rural</i>	<i>Within 10</i>
	<i>Remote</i>	<i>Within 18</i>
<i>Progress advance Validations</i>	<i>Urban</i>	<i>Within 16</i>
	<i>Rural</i>	<i>Within 22</i>
	<i>Remote</i>	<i>Within 30</i>

If the Service Provider is unable to perform the service requested for any reason in a specific area, CMHC must be informed within six (6) business hours of sending the service request.

Please Note:

i) The Turnaround Time starts when the Service Provider receives the CMHC service request and ends when CMHC receives a satisfactory report.

As part of the reporting of the performance standards (as outlined in section 4.6.2), CMHC would request that the AMC provide the average time elapsed between each stage of the process between the service request and CMHC's receipt of satisfactory report. Stages of process are defined by CMHC as follows:

1. Order made by CMHC
2. Assigned to Appraiser
3. Appointment Set
4. Appointment complete
5. Appraisal complete and sent to CMHC

ii) CMHC defines business hours as Monday to Friday, between 8:00 a.m. and 5:00 p.m. within the local time zone.

3.4.3.3 Point of Contact for Arrangement of Visit

The Selected Proponent is responsible for managing the arrangement of visits, to be booked immediately. The primary contact information to arrange an on-site visit for validation purposes and full appraisals will be provided by CMHC. As an alternate contact, should the Selected Proponent be unsuccessful in reaching the contact provided after three (3) attempts within one (1) business day, the Selected Proponent shall contact CMHC immediately by electronic message via **emiliCONNECT** or, alternatively, by using the **1 888 60 emili** line.

3.4.4 Certification Requirements

MANDATORY

Each work order will require the Selected Proponent to ensure that the employee and/or agent assigned to complete the work order has demonstrated experience in the building, mortgage lending or real estate industries and is capable of conducting the work order in a professional manner. Listed in the following sections is the accreditation/certification required for each type of work.

3.4.5 Performance Measurement Report Requirements

MANDATORY

The Service Provider will provide CMHC with monitoring reports, created in Microsoft Excel on a monthly basis.

The Service Provider will be required to send reports with the following information:

- the volumes assigned by appraisal or progress advance validation type and by location type and*
- the percentage of Progress Advance Validations and Appraisals with TATs at or below the performance standard, as well as above the performance standard, by appraisal type and by geographic region (based on business hours from the time CMHC's initial service order was sent to the Selected Proponent to the time completed)*

If any unusual charges or fee increases occurred during the month, the Selected Proponent will report on:

- the number of unusual charges (fee increases) requested, by appraisal type and by geographic region, and the nature of the charges; and*
- the total percentage of unusual charges (fee increases) requested based on the total number of all appraisals and progress advance validations.*

CMHC will systematically track and observe contract execution in four keys areas:

- Quality of appraisals*
- Cost*
- Turnaround Time*
- Communication*

Data for monitoring contractor performance will be collected, analyzed and documented to detect and record variances from the standards as identified in the contract.

CMHC will identify and promptly respond to variances during the term of the contract by:

- monitoring the contractor's performance to ensure they are providing services as per their agreement with CMHC and addressing any issues that may arise by documenting the variance and requesting compliance;
- holding monthly progress meetings to reinforce commitments.

CMHC and other parties acting on behalf of CMHC, reserve the right to evaluate the Service Provider(s) and its Sub-Contractors operational and financial performances via Operational Review once a year and/or at any other time of its choice.

3.4.6 Reports Format and Method of Communication

All Appraisal and Progress Advance reports will be submitted to CMHC via the CMHC **emiliCONNECT** – Selected Proponent communication link and must contain all of the information requirements for the CMHC product or service being requested and use standard data definitions and formats as specified by CMHC (available upon request).

Progress Advance Validation Reports

Progress Advance Validation reports must be remitted electronically and include the information listed in the sample Progress Advance Validation report attached in Appendix G.

Appraisal Reports

Full Appraisal reports must be remitted on Industry Standard electronic form reports. They must include the information listed in Appendix H.

Drive-by Appraisal and Desk Appraisal reports will be less exhaustive than Full Appraisal reports, as they only serve to verify/confirm certain information on the property. A list of items to be verified when Drive-by Appraisal reports and Desk Appraisal reports are requested is attached in Appendix G.

CMHC also requires the Selected Proponent to provide, as an enhancement to the appraisal report, a one- or two-page appraisal summary that highlights potential issues and/or risks identified by the appraiser, with customizable rules and/or severity levels for flagging issues.

3.4.7 Innovation and Added Value

CMHC values and welcomes innovative initiatives from Proponents. Innovation can be demonstrated by seeking opportunities to make effective decisions and improve organizational performance or finding other innovative ways to provide added value to our mutual clients. The proposal should identify such opportunities and demonstrate how these services and/or actions could qualify as an innovative solution to CMHC.

Examples of innovation are, but are not limited to, new or improved methods of communication allowing for better Turnaround Times, new mechanisms that would better identify misrepresentation and possibly avoid fraud, and a quality assurance process enabling better results and an improved performance for CMHC.

3.4.8 Responsibilities

CMHC will provide all required data regarding property and contact information directly from CMHC's system via a communication link to the Selected Proponent.

The Selected Proponent will provide Progress Advance Validation reports and Appraisal reports within the designated Turnaround Times via a proponent communication link to CMHC.

3.4.9 Invoices

The Selected Proponent will be required to provide electronic monthly invoices for each of Progress Advance Progress Advance Validations and Appraisals. The format is included in Appendix F and must include the following data:

- Supplier
- Purchase Order Number
- Report Type (Full, Drive-by or Desk Appraisal or Progress Advance Validation)
- Legal Description
- Number of Units
- Location Type (urban, rural or remote)
- Invoice Number
- Invoice Date
- Inspection Date
- CMHC Account Number
- Loan Advance Number
- Order ID
- Property Address
- Province Code
- Total Cost
- Inspection Price
- Service Add-On Code and/or Administrative Fee Code (Invoice label = Admin Code)
- Service Add-On Cost (such as acreage, executive) and/or Administrative Fee Cost (such as cancellations, same-day requests) (Invoice label = Other Expense)
- GST
- HST
- QST

3.4.10 Pricing Requirements for Travel, Service Add-Ons and Administrative Fees

The Selected Proponent is responsible for all related costs associated with a Progress Advance Validation or Appraisal report.

3.4.10.1 Travel

The Proponent must include the kilometre (mileage) reimbursement price per geographic area in the proposed fixed pricing for Progress Advance Validation and Appraisal reports. CMHC will not provide a separate reimbursement to the Selected Proponent for kilometres travelled (mileage), either as a fixed price or as a per-kilometre rate. Any other costs associated with travel, including but not limited to travel time and expenses, must also be included in the proposed fixed pricing for Progress Advance Validation and Appraisal reports. CMHC will not provide a separate reimbursement to the Selected Proponent for travel time and expenses or for any other costs associated with travel. See Section 4.9 - Pricing Proposal.

3.4.10.2 Service Add-Ons and Administrative Fees

CMHC will compensate the Selected Proponent for costs associated with more complex services (“Service Add-Ons”) involved in responding to Progress Advance Validation request(s) or Appraisal request(s) for properties that, for example, are multi-unit, waterfront, executive, acreage, have market rents or are in default or in cases where two values are requested (“as is” and “as improved”).

CMHC will also compensate the Service Provider for costs associated with cancelling service orders and/or appraisal orders. The Selected Proponent will need to include a Service Add-On/Administrative Fees reimbursement report with their request for payment.

Proponents must therefore propose firm fixed Service Add-On reimbursement prices and firm fixed Administrative Fees reimbursement prices, which will be fixed for the term. See Section 4.9 - Pricing Proposal.

3.4.11 Insurance

MANDATORY

A) Commercial General Liability Insurance

Commercial General Liability insurance with an insurer licensed to do business in Canada with a limit of not less than \$5,000,000 inclusive for personal injury, bodily injury (including death) and property damage for any one occurrence or series of occurrences arising from one cause. The policy shall provide coverage for, but not be limited to, all premises and operations of the Contractor, liability for products and completed operations, broad form coverage, contractor's liability, non-owned automobile, employer's liability, contractual liability and liability specifically assumed under this Agreement. Canada Mortgage and Housing Corporation shall be added to the policy as an additional insured and the policy shall contain cross liability, and severability of interest clauses

B) Professional/Miscellaneous (Errors & Omissions) Liability

Professional Liability insurance with an insurer licensed to do business in Canada with a limit of not less than \$3,000,000 per claim, providing coverage for, but not limited to, economic loss due to actual or alleged acts, errors or omissions or wrongful acts committed by the Contractor, its agents or employees in the performance of services. The Contractor 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 and Technology Errors and Omissions Liability insurance, with an insurer licensed to do business in Canada with a limit of not less than \$5,000,000 per claim, providing coverage for, but not limited to, economic loss arising from or related to errors or omissions, any breach of network security, any privacy breach or transmission of malicious code. The Contractor 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

C) Fidelity Bond/Employee Dishonesty Insurance

Fidelity bond/employee dishonesty insurance with an insurer licensed to do business in Canada with limits of not less than \$5,000 extending coverage to all owned and non-owned property for which the Contractor is legally liable including a Third Party endorsement in favour of Canada Mortgage and Housing Corporation. The policy shall add Canada Mortgage and Housing Corporation as loss payee.

D) Automobile Insurance

Automobile Insurance with an insurer licensed to do business in Canada with limits of not less than \$2,000,000 combined single limit per accident for bodily injury (including death), statutory accident benefits and property damage per occurrence.

E) Worker's Compensation

Worker's compensation coverage for all employees engaged in the Services in accordance with the statutory requirement of the province, territory or state in which the Services are being performed.

F) Other conditions

1. If there are material changes in the scope of Services provided under this Agreement, CMHC may request changes to the minimum insurance coverages set out above. All insurance policies required to be maintained by Contractor pursuant to this insurance clause shall be primary with respect to this Agreement and any valid and collectible insurance of CMHC shall be excess of Contractor's insurance and shall not contribute to it. All Certificate of Insurance shall mention that insurers will provide CMHC with at least thirty (30) days' written notice prior to cancellation of any insurance referred to under this insurance clause.

In addition Contractor shall provide written notice to CMHC forthwith upon learning that an insurer described in this insurance clause intends to cancel, or intends to make or has made a material change to, any insurance referred to in this insurance clause. A Certificate of Insurance meeting the above requirements shall be delivered to CMHC upon execution of this Agreement and for each renewal thereafter.

2. Without in any way restricting CMHC’s discretion to grant or withhold its consent to a request to subcontract pursuant to this Agreement or any other contract, the Contractor agrees that it shall contractually obligate any subcontractor or independent contractor retained in connection with this Agreement and any other contract to maintain insurance against such risks and in such amounts that having regard to such subcontractor’s or independent contractor’s involvement in the provision of the Services could reasonably be expected to be carried by persons acting prudently and in a similar business to that of such subcontractor or independent contractor. It shall be the sole responsibility of the Contractor to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated herein, is necessary for its own protection or to fulfill its obligation under the contract.

3.4.12 Constraints

MANDATORY

ATIP Acts and CMHC Agreements

CMHC is subject to the Access to Information Act and the Privacy Act (collectively, “ATIP”). The Selected Proponent must comply with CMHC’s requirements for CMHC ATIP compliance purposes.

The Proponent must be willing to enter into the Agreement and Service Level Agreement attached to this RFP.

The Proponent must possess the financial resources or other business or operational capacity to ensure the ongoing viability of the system, as determined by CMHC. See Section 4.7.1 - Financial Capacity.

3.4.13 Effect of Non-Performance (Business Service Performance)

In the event that, at any time during the duration of the agreement, the Selected Proponent fails to provide satisfactory service, CMHC may, to the extent it deems necessary, use the services of other qualified Appraisal Management Companies.

3.4.14 Dispute resolution

The Proponent must deal with any all disputes which arise during the life of this Agreement in accordance with dispute resolution mechanism set out in the Agreement.

(a) General

Any issue concerning this Agreement and/or Statement of Work, will initially be addressed by each Party's representatives as contemplated in the Statement of Work under which the disagreement has arisen. If the Parties are not successful in resolving an issue pursuant to such process, or if the issue is material and either Party believes the Parties will not be successful resolving such issue or dispute pursuant to such process, then either Party may issue a formal written notice (a "Dispute Notice") that a dispute ("Dispute") has arisen and subparagraph (b) below will apply.

(b) Escalation of Disputes

Except for Disputes involving CMHC Information or the infringement or misappropriation of intellectual property rights (in which case either Party will be free to seek available remedies in any forum), if the Dispute is unresolved by each Party's representatives (identified in the applicable Statement of Work) within ten (10) days after the issuance of the Dispute Notice (or such other period of time agree to in writing by the Parties) then either Party may institute formal legal proceedings.

3.4.15 Technical Requirements

MANDATORY

Proponents must be able to meet the following minimum technical requirements for electronic connectivity.

Note: The Service Provider will be responsible for providing, at their own expense, the interface between their own in-house systems and CMHC's system and ensuring their compatibility.

CMHC will establish electronic communication linkage with the Service Provider to order and obtain Progress Advance Validations and Full, Drive-by and Desk Appraisals through a fully automated process. Formal technical specifications will be provided to the Selected Proponent. In order to establish such electronic connections, the Selected Proponent must be able to fulfil the following requirements:

A) OPERATIONAL ENVIRONMENT AND TECHNICAL REQUIREMENTS

The Selected Proponent must fulfil the following requirements:

CONNECTIVITY

Selected Proponent(s) will connect to CMHC by one or more of the following:

- Web Services over Dedicated Connection
- MQ Series to MQ Series over TCP/IP
- MQ Server technology

The Selected Proponent will do the following:

- Provide compliant connectivity from the Selected Proponent's LAN to CMHC's network devices at the demarcation point for the connectivity.

- Provide appropriate level of secure physical facilities with access control restrictions for the placement of CMHC devices. The CMHC confidential and proprietary information, data and property shall be used exclusively for the benefit of CMHC. The facilities shall allow access at any time by authorized CMHC staff with prior coordination.
- Ensure that all components (hardware and software) used in the CMHC-to-Proponent connectivity are at a vendor-supported level.

SECURITY

The Selected Proponent will have in place appropriate security systems and procedures to protect the confidentiality, integrity and availability (CIA) of any data of CMHC and its sub-licensees residing on hardware within the Selected Proponent's possession or control. This may include at least the following:

- Employ Firewall technology to filter the required protocols and log all access attempts.
- Have Web server support of SSL (128-bit) and the use of encryption keys that must be changed every two years at a minimum.
- Use a form of secure authentication (i.e. Token technology or user ID and password).
- Develop and implement a Security Policy that includes:
 - regular auditing of all processes and reviews of Firewall rule sets; and
 - prohibited storage, use and access to any information for any purpose other than for the original intent of the transfer.

REDUNDANCY

The Selected Proponent will ensure there is redundancy in all systems supporting the Selected Proponent's production environment, including but not limited to the following:

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- Backup application
- Backup hardware
- Backup power supply
- Backup communication lines

DISASTER RECOVERY

Ensure there is a separate Disaster Recovery Facility in a different location from the primary production site to provide full backup and timely resumption of processing for critical systems.

Ensure there is a Disaster Recovery Plan, tested at least annually with established recovery teams. The maximum acceptable recovery time is 24 hours.

Ensure a set of disaster recovery protocols is defined.

TESTING

The Selected Proponent will do the following:

- Connect to the CMHC test environment to enable the effective testing of CMHC system enhancements before rollout.
- Test all enhancements to the **emili** environment.
- Agree to participate in such testing activities upon receiving CMHC notice of testing requirements at least three weeks prior to the planned date.
- Agree to participate in testing other emergency changes (such as Disaster Recovery Simulations) as required by CMHC.
- Ensure availability of and access to testing environments and processing of test cases as required.

B) SYSTEM OPERATIONS AVAILABILITY AND PERFORMANCE

Availability

The Selected Proponent shall provide the following hours of availability:

Monday to Friday, 6:30 a.m. - 11:00 p.m. ET

Saturday, 8:00 a.m. - 8:00 p.m. ET

Sunday, 12:00 p.m. (noon) - 8:00 p.m. ET

Services must be provided as normal on all holidays except Christmas Day, Boxing Day, New Year's Day and Easter Sunday.

Performance

The Selected Proponent shall commit to maintain a monthly minimum availability of 99.7% for the Services. To assist in the ongoing monitoring of performance, standard service level reporting is required. Reports shall be produced by the Selected Proponent and provided to CMHC on a monthly basis.

Two types of statistics must be maintained:

1) System availability – Uptime for each major component of the system in actual hours and as a percentage of possible availability.

2) Problem calls – Number of calls received, broken down according to the nature of the call, and length of time taken to resolve the problem.

C) TECHNICAL SUPPORT AVAILABILITY AND RESPONSIVENESS

The Selected Proponent shall provide CMHC with technical support for its system, including the following:

- Ensuring client Help Desk support during regular business hours; meeting the service level target, as described above under Performance; and providing Service support in both official languages, at the caller's choice.*
- Managing system, software, hardware and physical environment problems at the Selected Proponent's technical environment.*
- Reporting to the CMHC Help Desk any technical problems affecting Services to CMHC within 30 minutes of the occurrence, and reporting resolution of the problem to the CMHC Help Desk.*
- Providing problem management support and following the problem resolution protocol.*
- Providing a single point of contact for the CMHC Help Desk to contact for reporting and coordinating outages or emergency maintenance, and for technology-related discussions.*
- Maintaining records on high-impact system problems or outages and problem resolution, and making them available to CMHC for periodic audit.*
- Working with CMHC on a mutually agreed schedule to allow required maintenance services to be performed in a timely manner.*

D) SYSTEM CHANGE

The Selected Proponent will need to describe the normal practice(s) when introducing a major system change that may impact the Selected Proponent's clients and other associated parties (such as CMHC).

The Selected Proponent must indicate its ability to commit to the following:

Where reasonable and necessary, CMHC will notify the Selected Proponent 60 days (as a minimum) in advance of any major technical changes that would impact the proposed communication link. The Selected Proponent will have the required updates or changes fully tested and operational within 60 days of notification by CMHC.

Where reasonable and necessary, the Selected Proponent will notify CMHC 60 days (as a minimum) in advance of any major technical changes that would impact the proposed communication link.

3.4.16 Technical Performance Specifications

CMHC will need to establish electronic connectivity between CMHC's system and the Selected Proponent's system in order that the requested Progress Advance Validation reports, and Full, Drive-by and Desk Appraisal reports can be managed and completed electronically. All completed Progress Advance Validation reports, Full, Drive-by and Desk Appraisal reports are to be returned to CMHC in a fully automated format, via the established electronic connectivity.

All performance reporting provided by the Selected Proponent, as outlined in this RFP in Section 3.4.5- Performance Measurement Report Requirements, must be provided to CMHC electronically.

3.4.16.1 Data Requirements

CMHC will supply the following data elements to the Selected Proponent in the work order to arrange an on-site visit for Progress Advance Validations and Full, Drive-by and Desk Appraisals:

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- *Product Line*
- *Name of Appraisal Management Company*
- *CMHC Account Number*
- *Loan Advance Number*
- *Request Type*
- *Requestor Code*
- *Lender Reference Number*
- *Lender Name*
- *Financial Institution Code*
- *Transit Number*
- *Lender Address*
- *Branch Logon ID*
- *Client Service Rep Name*
- *Client Service Rep Last Name*
- *Client Service Phone Number*
- *Client Service Email*
- *Borrower First Name*
- *Borrower Last Name*
- *Property Unit Number*
- *Property Street Number, Property Street Name, Property Street Type, Property Street Direction*
- *Property Municipality*
- *Property Province*
- *Property Postal Code*
- *Property Country*
- *Legal Description*
- *Number of Units*
- *New Existing Indicator*
- *Dwelling Style*
- *Tenure*
- *Property Contact First Name*

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- *Property Contact Last Name*
- *Property Contact Phone*
- *Property Special Instructions*
- *Loan Amount (defaulted to 0)*
- *CMHC Calc LTV Ratio (defaulted to 0)*
- *Total Financing (defaulted to 0)*
- *Loan Closing Date*
- *Builder Name*
- *Lending Value*
- *Loan Purpose*
- *Appraisal Type*
- *MLS Number*
- *Preferred Language*
- *Payment Indicator*
- *Update Indicator*
- *Previous Order ID*
- *Joint Ownership Indicator*
- *CMHC alternate contact information (1 888 60 emili)*

4 SECTION 4 PROPOSAL REQUIREMENTS – ALL MANDATORY

4.1 Overview of Section 4

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

Response Item

#	Item
4.3	<i>Covering Letter</i>
4.4	<i>Executive Summary</i>
4.5	<i>Response to Statement of Work</i>
4.6	<i>Operational Methodology</i>
4.7	<i>Financial Information</i>
4.8	<i>Other Information</i>
4.9	<i>Pricing Proposal</i>

Elaborate or unnecessarily voluminous proposals are not desired. Proponents are encouraged to take care in completely answering questions and proposal requirements and to avoid submitting extraneous materials that do not show how the proponent intends to meet requirements.

Requirements for each Response Item are detailed below.

4.2 Mandatory Proposal Requirements

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

4.3 Covering Letter

A covering letter on the proponent's letterhead should be submitted and include the following:

- a) A brief statement of the Proponent's qualifications to meet the need of CMHC.

4.4 Executive Summary

The proponent's proposal should include an executive summary highlighting the following:

- a) A summary of the Proponent's proposal, including key features of the proposal.
- b) The names of the individuals who are the principals of the proponent.

4.5 Response to Statement of Work

4.5.1 Description of Firm

- a) A description of the company, its history, legal status, number of full-time employees and areas of specialisation.
- b) Provide date established, size of organization.
- c) Describe experience in residential appraisal management services.
- d) Describe the organizational structure, including reporting levels and lines of authority.
- e) List the locations of primary and all other offices that would be servicing the Agreement.

4.5.2 Proponent qualifications

- a) Provide resume of key managers (points of contact) that will be dealing with CMHC underwriters.
- b) Provide five resumes of appraisers (could be sub-contractors) that would be assigned to the services and indicate associations and any accreditation or certification; and identify clearly their ability to practise in their own jurisdiction.

- c) Indicate number of appraisers and/or subcontractors hired by the firm for each province.
- d) Describe the ability to provide services in both official languages.

4.5.3 Communication

- a) Describe how the Proponent will communicate with CMHC regarding delays or issues with difficult files.
- b) Describe how the Proponent will ensure that all staff is made aware of CMHC's requirements and service standards.
- c) Describe how appraisers will be informed about required documents (Purchase agreement, Realtor listing) and told how to access them.
- d) Describe how appraisers and contract appraisers will be informed about CMHC's quality standards.
- e) Describe how the Proponent will accelerate the communication with the borrower to book the on-site visit.

4.5.4 References

- a) Provide a list of all contracts of a similar size and scope which the proponent currently holds or has held over the past 24 months.
 - b) For each contract, the following information: company name and address; contact person information, phone number and e-mail address.
- CMHC will contact references for information relating to the quality of work provided by the Proponent.

4.5.5 Proponent Contacts

- a) Provide name, title, phone number, e-mail address, and cellular and/or pager number of the operations manager (CMHC's key contact).
- b) Provide backup to operations manager.

4.6 Operational Methodology

MANDATORY

The Proponent shall describe its Operational Methodologies for delivery of services, including the following:

- a) Describe how the Proponent will avoid delays in difficult-to-service areas, such as in remote locations.*
- b) Provide a full description on how the Proponent plans on meeting specified Turnaround Times for each type of appraisal and location type: Urban, Rural and Remote.*
- c) Demonstrate the response mechanisms in the case of errors, omissions and delays.*
- d) Demonstrate how CMHC will be serviced as a priority client.*
- e) Provide one completed example of each type of report: Full Appraisal, Desktop Appraisal, Drive-by Appraisal and Progress Advance Validation.*
- f) Describe the method used to ensure compliance with the work schedule.*
- g) The Proponent shall demonstrate the ability to provide a key operations manager committed and available to CMHC during defined business hours to CMHC for requests, questions or issues.*

4.6.1 Quality Control Measures

The proponent shall describe its approach to quality control, including the following:

- a) Demonstrate the Quality Assurance methods administered in ensuring industry standard Progress Advance Validation and Appraisal reports.*
- b) Demonstrate the response mechanisms in the case of errors, omissions and delays.*
- c) Demonstrate the monitoring process to ensure the Turnaround Times are met.*
- d) The Proponent shall provide Quality Assurance Reports that meet the description in section 3.3.4*

4.6.2 Performance Measurement

The Proponent will send a Performance Measurement report indicative of the quality of report CMHC will receive should the Proponent be awarded the contract.

The Proponent shall include Performance Measurement reports with the following information:

- a) Number of Progress Advance Validations and Appraisals, by appraisal type and by geographic region.*
- b) Percentage of Progress Advance Validations with Turnaround Times at or below the performance standard, as well as above the performance standard, by appraisal type and by geographic region. (Standards and reporting criteria outlined in section 3.3.2.2 Turnaround Time (TAT) Requirements)*
- c) Volumes of cancelled service orders by Appraisal and Progress Advance Validations type and by location type.*

4.6.3 Business Continuity Plan

- a) The Proponent shall include a Business Continuity Plan that outlines a range of disaster scenarios and the steps it will take in any particular situation to return to regular trade (for example, loss of key appraisers, loss of technical system, loss of hydro, etc.).*

4.7 Financial Information

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

Failure to comply with the financial information submission requirements set out in this section will result in disqualification of the Lead Proponent(s), at which time no further consideration will be provided to the respective submission(s).

4.7.1 Financial Capacity Review

Once identified, the Lead Proponent(s) will be requested to provide CMHC the following information, within 72 business hours of CMHC's request to permit an analysis of the financial capacity of the Lead Proponent(s):

Partnerships, Corporations, Joint Ventures and Consortiums

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

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

A complete set of financial statements consists of all the following items:

- Auditor's Report (or Review Engagement Report)
- Balance Sheet
- Income Statement
- Cash Flow Statement
- Notes to the Financial Statements

In the case of a joint venture or consortium, each and all members of the joint venture or consortium must provide the required information. Partnerships of individuals (as opposed to partnerships of corporations), must provide written permission from each partner allowing CMHC to perform a credit check on them.

Sole Proprietorships

Proponents that are organized as sole proprietorships must provide a statement contained within their proposal giving written permission for CMHC to perform a credit check as required. Where financial statements are available, they should accompany the foregoing statement.

4.7.2 Credit Check

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

4.8 Other Information

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

4.9 Pricing Proposal

MANDATORY

The proponent must submit a fixed (firm) price for the services outlined in this RFP, please refer to Appendix C.

All prices and amounts of money in the proposal are to be quoted in Canadian dollars and be exclusive of the Goods and Services Tax (GST), Harmonized Sales Tax (HST), and Provincial Sales Tax (PST), as applicable, unless otherwise indicated. The GST, HST or PST, whichever is applicable, shall be extra to the price quoted and will be paid by CMHC.

Predictable pricing is important to CMHC. The Proponent must provide firm fixed prices for all items as requested in the Statement of Work. In addition to the firm fixed prices for Progress Advance Validation reports and Appraisal reports, CMHC will compensate the Selected Proponent for the following expenses only:

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- Service Add-Ons: Firm fixed prices for service add-ons (multi-unit, waterfront, executive, acreage, etc.) are to be specified as separate costs, applicable to all locations.
- Administrative Fees: Firm fixed prices for fees associated with the cancellation of a Progress Advance Validation or Appraisal work order, a missed appointment (by the homeowner) or a same-day appointment are to be specified as separate costs, applicable to all locations.

Any unusual charges (i.e. charges in addition to those listed above) and/or fee increases will only be allowed on an exceptional basis and will need the prior authorization and approval of CMHC. It is expected that the percentage of unusual charges/fee increases will be at or near 0%.

A pricing schedule that includes firm fixed prices is to be provided by the Proponent. The pricing schedule must be submitted as per the table format below (Table 4.9a), using Excel or CSV, and must include each type of appraisal requested in this RFP (Progress Advance Validations, Full Appraisals, Drive-by Appraisals and Desk Appraisals). Prices must be submitted for all provinces and territories. For each province or territory, pricing must be provided as per the following three types of prices (additional categories provided by the Proponent will not be evaluated).

All prices and amounts of money in the proposal are to be specified in Canadian dollars and be exclusive of the Goods and Services Tax (GST), Harmonized Sales Tax (HST), Provincial Sales Tax (PST) and Quebec Sales Tax (QST), as applicable, unless otherwise indicated.

Any applicable taxes (HST, GST, QST) shall be extra to the price specified by the Proponent and will be paid (to the Selected Proponent) by CMHC.

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The pricing shall not be higher than those prices charged to other clients of the Proponent who are purchasing substantially similar services in approximately the same or lower volumes. This pricing is fixed for five (5) years. Refer to Article 3.3 of the Draft Agreement (Section 6.3 of this RFP) for more information on the pricing.

Any estimated volumes specified in this RFP are approximations of requirements given in good faith. By submitting a proposal, Proponents acknowledge that any quantities provided are estimates only, and testify to their ability to accommodate increases or decreases in workload as they occur. There is no guarantee on the volumes of Appraisals or Progress Advance Validations which will be requested by CMHC.

Note: CMHC will not reimburse the Proponent for any work related to, or materials supplied in the preparation of the RFP response, or for programming or developmental costs and/or system upgrades or testing that may be required to deliver the requested services to CMHC. All such costs are the sole responsibility of the Proponent and in no event shall CMHC be responsible for paying any amounts in excess of the Proponent's prices quoted in its response.

5 SECTION 5 EVALUATION AND SELECTION

5.1 Overview of Section 5

Section 5 describes the process CMHC will use to evaluate proposals, select a Lead Proponent and finalize and sign an agreement.

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

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

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

5.2 Limitation of Damages

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

5.3 Evaluation Table

The Evaluation Table as provided in Appendix D lists the criteria upon which each proposal will be evaluated. The criteria are based on the requirements as provided in this RFP.

5.4 Evaluation Methodology

Each proposal will be examined to determine compliance with each mandatory requirement identified in this RFP. A proposal must comply with all of the mandatory requirements in order to proceed in the evaluation process. A proposal which is deemed by CMHC to be non-compliant in one or more mandatory requirements will be eliminated from further consideration. A proposal which meets all the mandatory requirements will be deemed compliant and will proceed in the evaluation process.

A proposal must meet the minimum upset score for criterion 1, 2, 3, 4 and 5 (as shown on the Evaluation Table in Appendix D) to be deemed a “qualified proposal” and remain in the evaluation.

Each compliant proposal that meets the minimum upset scores for each applicable criterion shall then be ranked based on their overall total score achieved. The overall total score is the sum of the final scores of all criteria.

For the pricing evaluation, each compliant proposal that meets the minimum upset scores in each category shall then be evaluated using the “lowest compliant bid” evaluation process. The compliant proponent with the lowest pricing shall be named the lead proponent(s).

In the event of two or more compliant proposals with identical pricing the lead proponent would be chosen based on the proposal servicing the greatest number of provinces. If there are two or more compliant proposals with identical pricing and selection of provinces the lead proponent would be chosen based on the highest score in the technical sections. Where a cost proposal, in whole or in part, cannot be measured (a non-numeric value is provided such as “quote,” “TBD” or “to be negotiated”), CMHC reserves the right to evaluate the cost as high-priced. CMHC reserves the right to select more than one Lead Proponent.

Consideration will be given to responses that can provide services on a National basis. CMHC will form an Agreement with the Proponent or Proponents that can provide the best value to CMHC on a National basis. Should more than one Proponent be selected, CMHC reserves the right to divide the volume of work between Selected Proponents in a way which best meets our business requirements.

5.5 Financial Evaluation

CMHC will carry out a credit check and/or a financial capacity on the Lead Proponent(s) before beginning contract discussions. This is a pass/fail test. Pass means that contract discussions begin. Fail means that the Lead Proponent may not enter into contract discussions and is disqualified from further consideration. The financial evaluation will be based on the information supplied by the proponent as per Section 4.9 (Financial Information) of this RFP.

5.6 Proponent Selection

Acceptance of a proposal does not oblige CMHC to incorporate any or all of the accepted proposal into a contractual agreement, but rather demonstrates a willingness on the part of CMHC to enter into negotiations for the purpose of arriving at a satisfactory contractual arrangement with one or more parties.

Without changing the intent of this RFP or the Lead Proponent's proposal, CMHC will enter into discussions with the Lead Proponent for the purpose of finalizing the Agreement. If at any time CMHC decides that the Lead Proponent cannot satisfy CMHC's requirements, CMHC may terminate negotiations. If at this time CMHC feels that another Proponent may meet the requirements, CMHC will continue the process with that Proponent and so on.

Announcement of the Selected Proponent(s) will be made to all Proponents following the signing of an Agreement.

6 SECTION 6 DRAFT AGREEMENT

6.1 Overview of Section 6

Attached in Section 6.3 is a Draft Agreement containing terms and conditions that will form the basis of the agreement resulting from this RFP. CMHC reserves the right to add, delete or revise terms and conditions during negotiations.

Terms and conditions identified as “Mandatory” in the RFP or Draft Agreement must be included in the agreement. The proponent’s proposal and all associated correspondence from the proponent, where relevant, shall to the extent desired by CMHC, also form part of the resulting contract.

Submission of a proposal constitutes acknowledgement that the proponent has read and, unless otherwise stated in the proponent’s proposal, agrees to be bound by the terms and conditions in the Draft Agreement in the event that the proponent is selected by CMHC to enter into a contract.

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

6.2 Mandatory Agreement Terms and Conditions

All terms, conditions and Sections of the Draft Agreement in Section 6.3 are mandatory and must be accepted by the Proponent without alteration.

6.3 DRAFT AGREEMENT

CMHC FILE No. 201702640

THIS AGREEMENT (the “Agreement”)

BETWEEN CANADA MORTGAGE AND HOUSING CORPORATION

National Office

700 Montreal Road

Ottawa, Ontario, Canada

K1A 0P7

(hereinafter referred to as “CMHC”)

AND CONTRACTOR

(hereinafter referred to as “the Contractor”)

(individually a “Party”, collectively the “Parties”)

WITNESSES THAT in consideration of the respective covenants and agreements of the parties, CMHC and the Contractor mutually covenant and agree as follows:

Article 1.0 - The Services

1.1 The Contractor covenants and agrees to provide on an as-needed basis, either directly or through its national network, the following services:

i) Progress Advance Validations, and

ii) Full, Drive-By and Desk Appraisals (the “Appraisal Reports”).

These services (hereinafter collectively referred to as the “Services”) shall be provided as set out in accordance with the RFP attached hereto as Schedule A and the Service Level Agreement attached hereto as Schedule C.

1.2 Subject to the terms and conditions herein, CMHC hereby grants to the Contractor a royalty free right to communicate with CMHC via an electronic communication link (hereinafter called “communication link”) to systems developed and owned by CMHC.

1.3 The Contractor acknowledges and agrees that CMHC has ownership to the point of demarcation at the Contractor’s facility of the communication link between CMHC and the Contractor. CMHC has ownership of all CMHC data/information communicated via this link and has the right to use and disclose the results of the Progress Advance Validations, Appraisals, and other Services received from the Contractor in any way related to the National Housing Act (Canada) (hereinafter called “NHA”).

The Contractor shall not disclose customer data, contravene applicable laws or confidentiality agreements or use the results of Progress Advance Validations or Appraisals or other Services performed in a non-aggregated form or on a non-anonymous basis, or in a way that identifies it as being for CMHC or NHA or mortgage insurance purposes; it is otherwise expressly acknowledged by the parties hereto that any derivative products made by the Contractor from the results of appraisals shall be and shall remain the exclusive property of the Contractor.

1.4 The Contractor acknowledges and agrees that the provision of the Services and the establishment of the communication link shall in no way be construed to be an endorsement by CMHC of the Contractor or any product or service that Contractor may provide. Furthermore, the Contractor acknowledges that it may not use the communication link or its establishment in any communication or marketing of the products and services that the Contractor may offer without receiving prior written authorization by CMHC.

1.5 CMHC agrees to provide to the Contractor written notice of system modifications or expansions, which may require updates or changes to the communication link and/or the Services provided under this Agreement, not less than 60 days before the implementation date of such updates or changes. The Contractor will have any necessary updates or changes fully operational, including the completion of all testing such that all parties are in agreement that the changes implemented will not negatively impact the connectivity or the delivery of products and services in any manner, and be ready to participate in CMHC testing activities not less than 21 days prior to the implementation date as notified by CMHC. Each party shall bear their own cost in making such changes. The Contractor acknowledges and agrees that if it fails to have any such updates or changes fully operational and ready for CMHC testing at least 21 days prior to the implementation date as notified by CMHC, this Agreement may be terminated by CMHC immediately upon providing notice of such termination.

1.6 The Contractor agrees that when it has determined, from time to time, that it becomes necessary for it to implement system modifications or updates which may require changes to the communication link, the Contractor will provide CMHC with written notification not less than 60 business days before the implementation date of such updates or changes. In all cases, no changes or modifications to the communication link shall be implemented prior to the completion of testing such that all parties are in agreement that the implementation of the modifications will not negatively impact the connectivity or the delivery of products and Services in any manner. The Contractor agrees to implement changes or modifications affecting it, its website and its systems at its own cost and expenses.

1.7 The Contractor agrees that it is solely responsible for the provision and enforcement of all security and privacy procedures related to the information provide to them and by them under this Agreement.

Article 2.0 - Term of the Agreement

2.1 The term of the Agreement shall be for a period of three contract years commencing on START DATE, (the “Initial Term”).

2.2 Renewal

The Agreement may be renewed at CMHC’s sole discretion for two subsequent one-year renewals, not to exceed a cumulative total of five years.

The Contractor acknowledges that the Agreement itself does not impose any financial obligations on CMHC. The Contractor agrees to sell, provide and deliver to CMHC the Services at the agreed-to prices and in accordance with the terms and conditions as stated within the proposal, as-and-when CMHC requests such Services.

2.3 Termination

No fault termination

Notwithstanding articles 2.1 and 2.2 above, CMHC may terminate the Agreement for any reason with no penalty or charge by giving thirty (30) days written notice at any time during the Term.

Termination for Default of Contractor

CMHC may, by giving 10 days prior written notice to the Contractor, terminate this Agreement without penalty or charge for any of the following reasons:

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1. The Contractor commits a material breach of its duties under this Agreement, unless the Contractor cures such breach and indemnifies CMHC for any resulting damage or loss, both in a manner satisfactory to CMHC in its sole, absolute and non-reviewable discretion, within twenty (20) calendar days of receipt of written notice of breach from CMHC;
2. The Contractor commits numerous breaches of its duties under this Agreement that collectively constitute a material breach;
3. There is a change in control of the Contractor where such control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of the Contractor are acquired by any entity, or the Contractor is merged with or into another entity to form a new entity, unless the Contractor demonstrates to the satisfaction of CMHC that such event will not adversely affect its ability to perform the services under this Agreement; or
4. The Contractor becomes bankrupt or insolvent, or a receiving order is made against the Contractor, or any assignment is made for the benefit of the creditors, or if an order is made or a resolution passed for the winding up of the Contractor.

CMHC may terminate this Agreement without notice if the Contractor commits gross misconduct, fraud or other unlawful acts.

CMHC's Obligations upon Termination

In the event that a notice of termination is given, and subject to the deduction of any claim which CMHC may have against the Contractor arising out of the Agreement or its termination, CMHC will be obliged to make payment for the value of all Services performed to the date of the notice, such value to be determined in accordance with the rate(s) specified in the Agreement.

CMHC will make payment within thirty (30) days of the date of the notice or receipt of an invoice submitted by the Contractor, whichever is later. Upon such payment, it shall have no further obligation or liability of any kind to the Contractor.

Contractor's Obligations upon Termination

Upon termination of this Agreement or upon delivery of notice of intent to terminate this Agreement, the Contractor shall promptly review all work in progress and forward it to CMHC. The Contractor shall provide CMHC with reasonable transitional assistance at the rates specified in the Agreement, or if no rates are specified at the contractor's standard rates.

2.4 Termination Assistance

Commencing six (6) months prior to expiration of the Term or on such earlier date as CMHC may request, or commencing upon any notice of termination or non-renewal of this Agreement, the Contractor shall provide CMHC with reasonable termination assistance as requested by CMHC to allow the services to continue without interruption or adverse effect and to facilitate the orderly transfer of the services to CMHC or its designee.

Article 3.0 – Financial

3.1 In consideration of the provision of the Services as described in Article 1.0, CMHC agrees to pay the Contractor an amount based on the Contractor's rates, which are set out in Schedule B. This pricing is fixed for five (5) years and includes all amounts to be paid to the individual inspectors and appraisers and appraisal companies for Progress Advance Validations and Full, Drive-by and Desk Appraisals of residential properties.

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.

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 (CRA) any amounts of GST and HST paid or due pursuant to the Agreement. The Contractor agrees to remit to the appropriate Provincial Government any amounts of PST paid or due pursuant to the Agreement.

3.3 Notwithstanding the above, the pricing charged by the Contractor to CMHC pursuant to Article 3.1 shall not be higher than those prices charged to other clients of the Contractor who are purchasing substantially similar services in approximately the same or lower volumes. If the Contractor offers a lower price, or other benefits including but not limited to volume discounts, rebates, extended payment terms, advertising, promotional or other allowances, etc., for money or money's worth to any other client in such circumstances, then the Contractor shall immediately offer the same to CMHC, and lower CMHC's prices accordingly.

3.4 Invoicing

The Contractor shall submit detailed invoices to CMHC at regular intervals during the Term, and at least on a quarterly basis, describing the Services provided during the period covered by the invoice. The Contractor must allow 30 days from delivery of invoice for payment without interest charges. The Contractor cannot invoice prior to performance of the Service. Please refer to Appendix F.

All invoices must make reference to this Agreement by quoting CMHC file number 201702640.

Before advancing any amount to the Contractor, CMHC reserves the right to determine, in its sole and absolute discretion, whether the services were performed in accordance with the terms and conditions of the Agreement. In the event that the services do not meet the standards set out in the Agreement, CMHC may take such action as reasonably necessary to correct the Contractor's default, including, without limitation, the following:

- a) directing the Contractor to redo the work that was not completed in accordance with the Agreement;
- b) withholding payment;
- c) setting off any expenses incurred by CMHC in remedying the default of Contractor against payment for payment due to the Contractor;
- d) terminating the Agreement for default.

3.5 Method of Payment

All payments due under the Agreement will be made by means of Electronic Funds Transfer ("EFT"). The Contractor is responsible for providing CMHC with all the information set out in section 3.5.2 to allow EFT to be effected and for keeping the information up to date. In the event that CMHC is unable to make payment by EFT, the Contractor agrees to accept payment by cheque or another mutually agreeable method of payment.

3.5.1 Direct Deposit and Income Tax Reporting Requirement

All payments and transfers of funds under any resulting contract will be made by means of EFT direct deposit, unless an exception is requested in the proposal and is approved prior to execution of a contract.

As a federal Crown Corporation, CMHC is obliged under the Income Tax Act and Regulations to report payments to suppliers of goods and/or services by using a T1204 supplementary slip. CMHC must therefore obtain the necessary information from suppliers, including the Contractor's social insurance number and/or corporate identification number, in order to allow CMHC to make payment by EFT and to complete the T1204 supplementary slip. The Contractor is required to complete and sign a Supplier - Direct Deposit and Tax Information Form (CMHC/SCHL 3085) prior to commencement of the Term. Throughout the Term, the Contractor is required to ensure that the information provided remains accurate and up to date. The Contractor assumes full responsibility for any errors in payments or tax reporting that arise because the information supplied is inaccurate or out of date.

3.6 Audit

The Contractor and Sub-Contractors shall maintain proper and standard records and accounts during the Term and for a period of three (3) years following the end of the Term. The Contractor and Sub-Contractors agree 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 and Sub-Contractors agree to provide the CMHC's internal or external auditors with sufficient original documents in order to conduct any audit procedures. Any audit may be conducted without prior notice; however the CMHC agrees to cooperate with the Contractor in the course of conducting any audit in order to avoid

disruption in day-to-day operations and to preserve confidentiality of any proprietary information that is disclosed.

Article 4.0 - General Terms and Conditions

4.1 Intellectual Property Rights

All material, reports and other work product produced under the Agreement will become the sole property of CMHC upon coming into existence and CMHC will hold all intellectual property rights therein. The Contractor warrants that it has sufficient rights to satisfy this term, and that any necessary waivers of moral rights have been obtained, as provided for in the law of copyright. Upon the material coming into existence, the Contractor hereby assigns all rights in the material to CMHC and agrees to execute any document requested by CMHC acknowledging CMHC's ownership of the material and work product and the waiver of moral rights therein.

Nothing in this Agreement is intended to affect the pre-existing Intellectual Property Rights of the Parties, and all personal information, whether or not it is marked as confidential.

4.2 Confidentiality and Non-Disclosure of CMHC Information MANDATORY

In this section, "CMHC Information" refers to any and all information of a confidential nature, including all personal information that is in the care or control of CMHC, and is managed, accessed, collected, used, disclosed, retained, received, created or disposed of in relation to the provision of the Services, however the information is obtained. Without limiting the generality of the foregoing, CMHC Information includes data in any format and information obtained directly or indirectly by the Contractor.

The Contractor understands the sensitive nature of the CMHC Information and agrees to treat all CMHC Information as proprietary, confidential and sensitive during the Term and following termination of the Agreement, unless otherwise specifically agreed to in writing by CMHC. The Contractor further agrees to restrict access to CMHC Information to those persons who have a need to know this information in order to perform the Services and who are bound by an obligation of confidentiality that is as strict as that contained in this Agreement.

In the event that a breach of confidentiality occurs, the Contractor will immediately notify CMHC and co-operate with CMHC to the extent required to remedy the breach.

Where the Services are sensitive in nature, CMHC may require that the Contractor provide an Oath of Secrecy for each of its employees or persons engaged in performing the Services.

The Contractor further acknowledges and understands that CMHC considers all CMHC information to be under its custody and control at all times, and that all information in the care and control of CMHC is subject to federal laws on privacy and access to information.

Any documents provided to the Contractor in the performance of the Services shall be returned, uncopied to CMHC or destroyed by the Contractor immediately following the termination of this Agreement. For documents not returned to CMHC, the Contractor shall provide specific proof under oath of their destruction.

Information must remain in Canada (e.g. if personal information will be disclosed).

The Contractor shall ensure that CMHC Information shall remain in Canada and expressly agrees to segregate CMHC Information, whether in electronic format or in hard copy, from other information by physical or electronic means.

Without limiting the generality of the foregoing, the Contractor shall not and shall ensure that any subcontractor, reseller, agent or any other entity engaged to perform any portion of the Services does not release, share or otherwise divulge CMHC Information to any other entity including subsidiaries, branch offices, partners of the Contractor or subcontractors without the prior written consent of CMHC.

Where disclosure of CMHC Information is required pursuant to a lawful requirement or for the purposes of complying with a subpoena or warrant lawfully issued or lawfully made by a court, or other competent authority, the Contractor shall notify CMHC promptly after discovering the potential of disclosure of the CMHC Information so that CMHC has the opportunity to seek a protective order or other appropriate remedy.

The Contractor also agrees that in the event that disclosure of CMHC Information is required by a valid and applicable law, it shall, in co-operation with CMHC, take all reasonable steps to prevent access to CMHC Information including but not limited to taking appropriate legal action against disclosure, providing information and other assistance in order for CMHC to take appropriate legal action against disclosure and ensuring that disclosure is strictly limited to the information lawfully requested.

4.3. Contractor's Indemnification

The Contractor agrees to indemnify, defend and hold harmless CMHC, its officers, employees and agents, for all loss, damages, costs, expenses, claims, demands, actions, suits or other proceedings of every nature and kind, including legal fees, arising from or in consequence of an act or omission of the Contractor related to the performance of the Services. To the extent that CMHC's actions contribute to the loss or damages, CMHC shall be responsible for its proportionate share of the liability. The indemnification applies whether the actions, suits or proceedings are brought in the name of CMHC or in the name of the Contractor.

The Contractor shall be fully responsible to CMHC for the acts and omissions (including negligence) of its subcontractors and of persons directly or indirectly engaged by such subcontractors as if such acts and omissions were those of the Contractor.

CMHC shall have the right to assume control of its own defense at any time, provided that it assumes the costs of its defense.

4.4. Independent Contractor

It is understood by the Parties that the Contractor shall act as an independent contractor for the purposes of the Agreement. It and its employees, officers, agents and contractors are not engaged as employees of CMHC. The Contractor agrees to so advise its employees, officers, agents and contractors.

Without limiting the generality of the foregoing, the Contractor shall retain complete control of and accountability for its employees, agents and contractors. The Contractor shall prepare and process the payroll for its employees directly, and shall withhold and/or pay all applicable employment taxes and statutory payroll deductions required in respect of its employees. All personnel employed by the Contractor at the beginning of the Term shall, at all times, and for all purposes, remain solely in the employment of the Contractor.

4.5. Contractor's Authority

The Contractor agrees that it has no authority to give any guarantee or warranty whatsoever expressed or implied on behalf of CMHC and that it is in no way the legal representative or agent of CMHC and that it has no right or authority to create any obligation on behalf of CMHC or to bind CMHC in any way.

4.6. Corporation Identification

It is agreed that the Contractor will make no use whatsoever of CMHC's name, logo or other official marks without the express written consent of CMHC.

4.7. Conflict of Interest

The Contractor and its principals, employees, agents and subcontractors shall avoid any real, potential or apparent conflict of interest during the Term and shall declare any real, potential or apparent conflict of interest to CMHC immediately upon becoming aware of the conflict. The Contractor shall, upon direction of CMHC, take steps to eliminate any conflict, potential conflict or perception that a conflict of interest exists.

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

In the event that a conflict of interest, real, potential or perceived, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately terminate the Agreement. All work product that has been completed at the date of termination shall be forwarded to CMHC and CMHC shall be liable for payment to the Contractor of an amount which, in the sole opinion of CMHC, constitutes reasonable payment for the partial performance of the Contractor's obligations under the Agreement. Upon such payment, CMHC shall have no further obligation of any nature or kind to the Contractor.

Any public office holder or former public office holder must be in compliance with the provisions of the Conflict of Interest Act in order to derive a direct benefit from any Agreement which may arise from this request for proposal.

4.8. Insurance

A) Commercial General Liability Insurance

Commercial General Liability insurance with an insurer licensed to do business in Canada with a limit of not less than \$5,000,000 inclusive for personal injury, bodily injury (including death) and property damage for any one occurrence or series of occurrences arising from one cause. The policy shall provide coverage for, but not be limited to, all premises and operations of the Contractor, liability for products and completed operations, broad form coverage, contractor’s liability, non- owned automobile, employer’s liability, contractual liability and liability specifically assumed under this Agreement. Canada Mortgage and Housing Corporation shall be added to the policy as an additional insured and the policy shall contain cross liability, and severability of interest clauses

B) Professional/Miscellaneous (Errors & Omissions) Liability

Professional Liability insurance with an insurer licensed to do business in Canada with a limit of not less than \$3,000,000 per claim, providing coverage for, but not limited to, economic loss due to actual or alleged acts, errors or omissions or wrongful acts committed by the Contractor, its agents or employees in the performance of services. The Contractor 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 and Technology Errors and Omissions Liability insurance, with an insurer licensed to do business in Canada with a limit of not less than \$5,000,000 per claim, providing coverage for, but not limited to, economic loss arising from or related to errors or omissions, any breach of network security, any privacy breach or transmission of malicious code. The Contractor 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

C) Fidelity Bond/Employee Dishonesty Insurance

Fidelity bond/employee dishonesty insurance with an insurer licensed to do business in Canada with limits of not less than \$5,000 extending coverage to all owned and non-owned property for which the Contractor is legally liable including a Third Party endorsement in favour of Canada Mortgage and Housing Corporation. The policy shall add Canada Mortgage and Housing Corporation as loss payee.

D) Automobile Insurance

Automobile Insurance with an insurer licensed to do business in Canada with limits of not less than \$2,000,000 combined single limit per accident for bodily injury (including death), statutory accident benefits and property damage per occurrence.

E) Worker's Compensation

Worker's compensation coverage for all employees engaged in the Services in accordance with the statutory requirement of the province, territory or state in which the Services are being performed.

F) Other conditions

1. If there are material changes in the scope of Services provided under this Agreement, CMHC may request changes to the minimum insurance coverages set out above. All insurance policies required to be maintained by Contractor pursuant to this insurance clause shall be primary with respect to this Agreement and any valid and collectible insurance of CMHC shall be excess of Contractor's insurance and shall not contribute to it. All Certificate of Insurance shall mention that insurers will provide CMHC with at least thirty (30) days' written notice prior to cancellation of any insurance referred to under this insurance clause.

In addition Contractor shall provide written notice to CMHC forthwith upon learning that an insurer described in this insurance clause intends to cancel, or intends to make or has made a material change to, any insurance referred to in this insurance clause. A Certificate of Insurance meeting the above requirements shall be delivered to CMHC upon execution of this Agreement and for each renewal thereafter.

2. Without in any way restricting CMHC's discretion to grant or withhold its consent to a request to subcontract pursuant to this Agreement or any other contract, the Contractor agrees that it shall contractually obligate any subcontractor or independent contractor retained in connection with this Agreement and any other contract to maintain insurance against such risks and in such amounts that having regard to such subcontractor's or independent contractor's involvement in the provision of the Services could reasonably be expected to be carried by persons acting prudently and in a similar business to that of such subcontractor or independent contractor. It shall be the sole responsibility of the Contractor to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated herein, is necessary for its own protection or to fulfill its obligation under the contract.

4.9. No Limitation

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

4.10. Non-Compliance

If the Contractor fails to comply with a direction or decision of CMHC properly given under the terms of the Agreement, CMHC may take such actions and incur such costs that are reasonably required to implement its direction including, without limitation, the engagement of another contractor and withholding of payment due to the Contractor for Services rendered, which moneys may be set off by CMHC against any expenses that it may incur in remedying a default or failures as described above.

4.11. Force Majeure

In the event that a Party is prevented from fulfilling its obligations under the terms of the Agreement by a force majeure or act of God (an event or effect that cannot be reasonably anticipated or controlled), the impacted Party shall notify the other Party in writing as soon as reasonably possible. The written notice shall be sent by registered mail and shall outline the circumstances that constitute a force majeure or an act of God, which may include, but are not limited to, war, serious public disturbances, impediments arising from orders or prohibitions of public authority, actions of public enemies, strikes, lockouts and other labour disputes, riots, flooding, hurricane, fire, explosion or any other natural disasters over which the Party has no reasonable control.

Where CMHC concludes, in its sole discretion, that the Contractor will not be able to fulfill its obligations under the Agreement, CMHC may secure the services of other qualified Contractors to perform the Services without further compensation or obligation to the Contractor.

4.12. Non-Waiver

Failure by either party to assert any of its rights under the Agreement shall not be construed as a waiver thereof.

4.13 Dispute Resolution

The Proponent must deal with any all disputes which arise during the life of this Agreement in accordance with dispute resolution mechanism set out in the Agreement.

(a) General

Any issue concerning this Agreement and/or Statement of Work, will initially be addressed by each Party's representatives as contemplated in the Statement of Work under which the disagreement has arisen. If the Parties are not successful in resolving an issue pursuant to such process, or if the issue is material and either Party believes the Parties will not be successful resolving such issue or dispute pursuant to such process, then either Party may issue a formal written notice (a "Dispute Notice") that a dispute ("Dispute") has arisen and subparagraph (b) below will apply.

(b) Escalation of Disputes

Except for Disputes involving CMHC Information or the infringement or misappropriation of intellectual property rights (in which case either Party will be free to seek available remedies in any forum), if the Dispute is unresolved by each Party's representatives (identified in the applicable Statement of Work) within ten (10) days after the issuance of the Dispute Notice (or such other period of time agree to in writing by the Parties) then either Party may institute formal legal proceedings.

4.14 Laws Governing Agreement

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada as applicable. The parties attorn to the jurisdiction of the Federal Court or the courts of the Province of Ontario as appropriate in the circumstances.

The Contractor shall give all notices and obtain all licenses, permits and authorizations required to perform the Services. The Contractor shall comply with all the laws applicable to the services or the performance of the Agreement.

4.15 Final Report

Where a final report is to be prepared, it shall be in a form acceptable to CMHC and suitable for reproduction or publication. More particularly,

- (i) the body of the report shall include the main factual and analytical information and policy recommendations shall be separated to minimize potential restriction;
- (ii) policy recommendations and supporting materials shall be attached as appendices; and
- (iii) the report shall stipulate that the copyright remains with CMHC.

Upon request, the Contractor will supply, an executive summary of the main findings and recommendations of the final report and a copy of the report in any standard format that CMHC may prescribe, in accordance with CMHC's information technology requirements.

4.16 Publication

In the case of a report that is in the nature of a research report, CMHC is under no obligation to publish all or part of the final report. CMHC has the right to edit or publish the final report, in part or in its entirety and shall be the sole judge of those parts of the final report, or those materials and reports that it considers for publication. CMHC may, at its discretion, delete references to the Contractor in the edited version of the final report.

Where the Contractor wishes to publish the final report or its associated materials, the Contractor must request written permission from CMHC to publish all or part of the final reports. The Contractor must also acknowledge the ownership of copyright by CMHC and, if requested by CMHC must include the following disclaimer:

“This project was funded (or partially funded) by Canada Mortgage and Housing Corporation (CMHC), but the views expressed are the personal views of the author(s). CMHC makes no representations as to the accuracy or fitness of the contents for any particular purpose.”

The Contractor acknowledges and understands that CMHC is governed by the Official Languages Act and follows related Treasury Board Policies. The Contractor agrees to take any measures necessary to ensure compliance with the Act and those policies. When providing services to or communicating with CMHC employees, in person, over the phone or in writing (including electronic correspondence), the Contractor must actively offer bilingual services in and indicate clearly by verbal and/or visual means that employees can communicate with and obtain available services in either English or French. The Contractor must also ensure that there is sufficient capacity to provide services that are comparable in terms of quality and timeliness in both official languages.

4.17 Suspension of Services and Changes in Specifications

CMHC may, at any time and from time to time, order a suspension of the Services in whole or in part, and make modifications of, changes in or additions to the specifications of the type of Services offered and methods of delivery. All directions given by CMHC in writing with respect to the foregoing shall be complied with by the Contractor. If any such suspension, modification, change or addition results in an increase or decrease in the cost of the Services, the amount in Section 3.1 shall be adjusted accordingly, provided that the Contractor shall in no event be entitled to compensation for any loss of anticipated profits and provided further that minor increases or decreases in cost shall be disregarded.

4.18. Extras

Except as otherwise provided in the Agreement, no payment for extras shall be made unless such extras and the price thereof have been authorized in writing by CMHC.

4.19. Assignment of the Agreement

The Agreement shall not be assigned in whole or in part by the Contractor without the prior written consent of CMHC, which may be withheld for any reason.

It is understood and agreed that the Contractor may engage other entities to assist with the Contractor in providing of the Services, provided that the Contractor shall at all times retain full responsibility for the provision and quality of the Services and acts in a manner which fully recognizes and respects the confidential nature of the Services. No purported assignment of the Agreement shall relieve the Contractor from any obligation under the Agreement or impose any liability upon CMHC.

4.20. Closure of CMHC Offices or Suspension of Operations

Where CMHC premises become inaccessible due to evacuation or closure because of events or circumstances beyond the control of CMHC, where the health or safety of persons on the premises may be reasonably determined by CMHC, in its sole judgment, to be at risk, or where CMHC operations are suspended, payment to the Contractor may be suspended or modified. Where the Contractor provides satisfactory evidence to CMHC that the Contractor will continue to incur monetary obligations to others directly as a result of its undertakings under this Agreement and is unable to mitigate its losses due to such obligations, CMHC may continue payment in full, or at a reduced amount, or suspend payment completely.

4.21. Severability

If any part of the Agreement is determined to be unenforceable by a competent authority, it may be severed from the Agreement so as to preserve the intentions of the Parties to the extent possible.

4.22. Scope of Agreement

This Agreement contains all of the agreements of the Parties and no other representations or warranties, verbal or otherwise, exist between the Parties except those set out herein or attached as Specifications, Conditions and Addendum and signed by both Parties. In case of conflicts between the Contractor's documents and CMHC's documents, the latter shall govern.

4.23. Binding

This Agreement shall be binding upon the Parties, their heirs, executors, administrators, successors and assigns.

Article 5.0 - Agreement Administration

5.1 Contract Administrator

Each Party shall assign a contract administrator that will be responsible for overseeing the Agreement. The individuals named in section 5.2 are the initial agreement administrators.

The Parties shall notify the other in writing in the event that the contract administrator is changed. CMHC will notify the Contractor in writing of the names of any CMHC representatives who are authorized to assign jobs and approve payments with respect to the work carried out under this Agreement.

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5.2 Notices

All invoices and notices issued under the Agreement shall be in writing and shall be forwarded via mail, courier or e-mail:

To CMHC at the following address:

Canada Mortgage and Housing Corporation

Name:

Title:

Room:

700 Montreal Road

Ottawa, Ontario, K1A 0P7

Phone:

Fax:

Email:

To the Contractor at the following address:

CONTRACTOR

Name:

Title:

Address:

Phone:

Fax:

E-mail:

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Article 6.0 - Documents comprising the Agreement

6.1 The documents that comprise the entire Agreement between the Parties with respect to this matter consist of the following:

- (a) this form of Agreement as executed _____;
- (b) CMHC's Request for Proposal dated _____; and
- (c) the Contractor's submitted Proposal dated _____;

together with all written change notices issued by CMHC hereunder and such further specifications and documents as the Parties may agree in writing.

6.2 The documents comprising the Agreement are complementary and what is called for in any one shall be binding as if called for by all. The Agreement documents shall be interpreted as a whole and the intent of the whole shall govern. In the event of a conflict between them, the Agreement documents shall have precedence among themselves in the order as listed above.

IN WITNESS WHEREOF this Agreement has been executed by duly authorized officers of the Parties as follows:

THE CONTRACTOR

**CANADA MORTGAGE AND
HOUSING CORPORATION**

Signature

Signature

Name and Title

Name and Title

Date: _____

Date: _____

Submission Deadline: November 6, 2017, 2 p.m. EST

7 SECTION 7 APPENDICES

7.1 APPENDIX A - Certificate of Submission

_____, hereby:
Company Name Procurement Business Number (PBN)

- I. agrees and understands that submission of a proposal constitutes acknowledgement that the proponent has read and, unless otherwise stated in the proponent’s proposal, agrees to be bound by the terms and conditions in the draft Agreement in the event that the proponent is selected by CMHC to enter into a contract;
- II. agrees to comply with all of the draft Agreement MANDATORY clauses in an unaltered form as stated;
- III. offers to provide services and/or products to CMHC, as described in this proposal, on and if, as and when required basis, all in accordance with the Request for Proposal;
- IV. offers the terms as set out in this proposal, including any pricing proposal for a period of time as specified in section 2 of the RFP;
- V. certifies that, at the time of submitting this bid, is in full compliance with all tax statutes administered by all provincial, territorial and federal Ministries of Finance and that, in particular, all returns required to be filed under all provincial and federal tax statutes have been filed, and all taxes due and payable under those statutes have been paid or satisfactory arrangements for their payment have been made and maintained;
- VI. represents and warrants that in submitting the proposal or performing the Agreement, there is no actual or perceived conflict of interest;
- VII. represents and warrants that in preparing the proposal, there was no actual or perceived unfair advantage due to the receipt of information regarding the RFP that was not made available to other proponents;
- VIII. certifies that this proposal was independently arrived at, without collusion;
- IX. certifies that no gratuities or gifts in kind were offered to any CMHC employee, Board member or Governor-in-Council appointee; and intended, by the gratuity, to obtain a Agreement or favourable treatment under an Agreement;
- X. authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the proposal;
- XI. certifies, unless explicitly outlined in the proposal, that all pricing information is based on service provision which, at a minimum, fully meets all of the existing service standards as outlined in the Statement of Work;
- XII. (for sole proprietorships and partnerships) provide permission herewith to CMHC to undertake credit checks on the individuals listed below (names, signatures and home addresses of each must be provided).
- XIII. agrees that, in the event of acceptance of this proposal, it will enter Agreement negotiations in accordance with the RFP, and upon entry into an Agreement with CMHC, it will commit to providing the full scope of services identified in the Agreement.
- XIV. agrees that all responses and related materials become the property of CMHC, will not be returned and CMHC will not reimburse the proponent for any work related to, travel or materials supplied in the preparation of the RFP response.
- XV. agrees that it and any other persons for which it is responsible, who are to perform the work as stated in this RFP, at the request of CMHC will comply with security screening as deemed appropriate;

Signed this _____ day of _____, 20__ at _____, Canada.

Corporations are not required to provide a corporate seal. The signature of one witness is required for the signature of each Owner/Signing Authority. Corporation/Individual:

Signature of Signing Authority Name and Title of Signing Authority
Declaration: I have the authority to bind the company.

7.2 APPENDIX B- Historical data

Based on yearly Canada-wide historical data, CMHC ordered the following number of Progress Advance Validation Progress Advance Validations and Desktop, Drive-by and Full Appraisals.

Year	Type of Service	Atlantic	Quebec	Ontario	Prairies and N.W.T.	B.C.	CANADA
2014	Progress Advance Validations	1,365	3,218	234	862	152	5,831
	Desktop Appraisals	1	2	5	1	1	10
	Drive-by Appraisals	2	5	3	0	1	11
	Full Appraisals	1,172	2,142	2,371	1,492	897	8,074
	Total	2,540	5,367	3,613	2,355	1,051	13,926
2015	Progress Advance Validations	672	1,236	114	350	122	2,494
	Desktop Appraisals	13	6	0	2	1	22
	Drive-by Appraisals	8	2	1	1	0	12
	Full Appraisals	1,484	2,447	2,354	2,190	1,034	9,509
	Total	2,177	3,691	2,469	2,543	1,157	12,037
2016	Progress Advance Validations	667	1,630	113	364	135	2,909
	Desktop Appraisals	4	5	210	22	2	243
	Drive-by Appraisals	0	4	1	2	0	7
	Full Appraisals	1,395	2,493	2,404	2,203	1,255	9,750
	Total	2,066	4,132	2,728	2,591	1,392	12,909

Volumes by region by location type

i) The following table illustrates the Progress Advance Validations performed from 2014 to 2016 in all regions as well as the percentage of the total they represent.

PROGRESS ADVANCE VALIDATIONS		Total	Remote	Remote %	Rural	Rural %	Urban	Urban %
2014	Atlantic	1365	637	46.7	342	25	386	28.3
	Quebec	3218	1051	32.7	811	25.2	1356	42.1
	Ontario	234	58	24.8	56	23.9	120	51.3
	Prairies and North	862	254	29.5	142	16.5	466	54.1
	British Columbia	152	57	37.5	40	26.3	55	36.2
	CANADA	5831	2057	35.3	1391	23.9	2383	40.9
2015	Atlantic	672	344	51.2	140	20.8	188	28
	Quebec	1236	496	40.1	282	22.8	458	37.1
	Ontario	114	34	29.8	39	34.2	41	36
	Prairies and North	350	127	36.3	58	16.6	165	47.1
	British Columbia	122	46	37.7	25	20.5	51	41.8
	CANADA	2494	1047	42	544	21.8	903	36.2
2016	Atlantic	667	328	49.2	163	24.4	176	26.4
	Quebec	1630	603	37	397	24.4	630	38.7
	Ontario	113	31	27	34	30.1	48	42.5

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	<i>Prairies and North</i>	<i>364</i>	<i>123</i>	<i>33.8</i>	<i>89</i>	<i>24.5</i>	<i>152</i>	<i>41.8</i>
	<i>British Columbia</i>	<i>135</i>	<i>42</i>	<i>31.1</i>	<i>34</i>	<i>25.2</i>	<i>59</i>	<i>43.7</i>
	<i>CANADA</i>	<i>2909</i>	<i>1127</i>	<i>38.7</i>	<i>717</i>	<i>24.6</i>	<i>1065</i>	<i>36.6</i>

ii) The following table illustrates the Desktop Appraisals performed from 2014 to 2016 in all regions as well as the percentage of the total they represent.

DESKTOP		Total	Remot e	Remote %	Rural	Rural %	Urban	Urban %
2014	Atlantic	1	1	100	0	0	0	0
	Quebec	2	1	50	0	0	1	50
	Ontario	5	2	40	1	20	2	40
	Prairies and North	1	0	0	0	0	1	100
	British Columbia	1	1	100	0	0	0	0
	CANADA	10	5	50	1	10	4	40
2015	Atlantic	13	6	46.2	2	15.4	5	38.5
	Quebec	6	3	50	0	0	3	50
	Ontario	0	0	0	0	0	0	0
	Prairies and North	2	0	0	0	0	2	100
	British Columbia	1	0	0	0	0	1	100
	CANADA	22	9	40.9	2	9.1	11	50
2016	Atlantic	4	3	75	0	0	1	25
	Quebec	5	3	60	1	20	1	20
	Ontario	210	9	4.3	12	5.7	189	90
	Prairies and North	22	3	13.6	10	45.5	9	40.9
	British Columbia	2	0	0	0	0	2	100
	CANADA	243	18	7.4	23	9.5	202	83.1

The following table illustrates the Drive-By Appraisals performed from 2014 to 2016 in all regions as well as the percentage of the total they represent.

DRIVE-BY		Total	Remote	Remote %	Rural	Rural %	Urban	Urban %
2014	Atlantic	2	0	0	2	100	0	0
	Quebec	5	2	40	0	0	3	60
	Ontario	3	0	0	1	33.3	2	66.7
	Prairies and North	0	0	0	0	0	0	0
	British Columbia	1	0	0	0	0	1	100
	CANADA	11	2	18.2	3	27.3	6	54.5
2015	Atlantic	8	4	50	2	25	2	25
	Quebec	2	0	0	0	0	2	100
	Ontario	1	0	0	0	0	1	100
	Prairies and North	1	1	100	0	0	0	0
	British Columbia	0	0	0	0	0	0	0
	CANADA	12	5	41.7	2	16.7	5	41.7
2016	Atlantic	0	0	0	0	0	0	0
	Quebec	4	0	0	1	25	3	75
	Ontario	1	0	0	0	0	1	100
	Prairies and North	2	0	0	0	0	2	100
	British Columbia	0	0	0	0	0	0	0
	CANADA	7	0	0	1	14.3	6	85.7

iii) The following table illustrates the Full Appraisals performed from 2014 to 2016 in all regions as well as the percentage of the total they represent.

FULL APPRAISAL		Total	Remote	Remote %	Rural	Rural %	Urban	Urban %
2014	Atlantic	1172	540	46.1	282	24.1	350	29.9
	Quebec	2142	800	37.3	414	19.3	928	43.3
	Ontario	2371	488	20.6	499	21	1384	58.4
	Prairies and North	1492	434	29.1	321	21.5	737	49.4
	British Columbia	897	266	29.7	214	23.9	417	46.5
	CANADA	8074	2528	31.3	1730	21.4	3816	47.3
2015	Atlantic	1484	766	51.6	311	21	407	27.4
	Quebec	2447	962	39.3	412	16.8	1073	43.8
	Ontario	2354	443	18.8	505	21.5	1406	59.7
	Prairies and North	2190	810	37	460	21	920	42
	British Columbia	1034	302	29.2	223	21.6	509	49.2
	CANADA	9509	3283	34.5	1911	20.1	4315	45.4
2016	Atlantic	1395	610	43.7	365	26.2	420	30.1
	Quebec	2493	1064	42.7	416	16.7	1013	40.6
	Ontario	2404	513	21.3	510	21.2	1381	57.4
	Prairies and North	2203	837	38	488	22.2	878	39.9
	British Columbia	1255	338	26.9	210	16.7	707	56.3
	CANADA	9750	3362	34.5	1989	20.4	4399	45.1

7.3 APPENDIX C - Pricing Table

Please refer to Table 4.9a: Format for Services Pricing Schedule

NAME OF PROPONENT		DESKTOP APPRAISALS	DRIVE-BY APPRAISALS	FULL APPRAISALS	PROGRESS ADVANCE VALIDATION
Alberta*	Urban				
	Rural				
	Remote				
British Columbia*	Urban				
	Rural				
	Remote				
Manitoba*	Urban				
	Rural				
	Remote				
New Brunswick	Urban				
	Rural				
	Remote				
Newfoundland and Labrador	Urban				
	Rural				
	Remote				
Northwest Territories	Urban				
	Rural				
	Remote				
Nova Scotia	Urban				
	Rural				
	Remote				
Nunavut	Urban				
	Rural				
	Remote				
Ontario	Urban				
	Rural				
	Remote				
Prince Edward Island	Urban				
	Rural				
	Remote				

Quebec	Urban				
	Rural				
	Remote				
Saskatchewan	Urban				
	Rural				
	Remote				
Yukon	Urban				
	Rural				
	Remote				

* Include all provinces and territories

For rural and remote properties, the Proponent must incorporate the kilometre (mileage) reimbursement price in the proposed fixed price for the service. See Section 3.3.10.1 - Travel.

A separate table, as per the table format below (Table 4.9b), is to be provided for fixed costs related to Service Add-Ons, including but not limited to, properties that are multi-unit, acreage, waterfront, executive (property value in excess of \$2 million), that are in default or for which market rent or “as is” and “as improved” values are required. A separate table, as per the table format below (Table 4.9c), must also be provided for fixed costs related to Administrative Fees. The Proponent is expected to include in these tables all known possibilities for both Service Add-Ons and other Administrative Fees. The Proponent should also provide any and all pricing relative to innovative solutions it proposes.

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Table 4-9b: Format for Service Add-Ons

Service Add-Ons**	Fixed Cost (one price for all locations)
Multi-unit (per unit)	
Market rent	
Two values requested (“as is” and “as improved”)	
Waterfront	
Executive	
Acreage	
Default	

** Specify all known possibilities that would apply with cost (use “N/A” if the service listed above is not offered).

Table 4-9c: Format for Administrative Fees

Administrative Fees**	Fixed Cost (one price for all locations)
Cancellation – no visit	
Cancellation – visit occurred	
Missed appointment	
Same-day service	

** Specify all known possibilities that would apply with cost.

7.4 APPENDIX D – Evaluation Table

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 0 to 5	UPSET SCORE	SCORE A x B
<p>Criterion 1- Description of Firm</p> <p>a) Description of the firm, its history, legal status, number of full-time employees and areas of specialization.</p> <p>b) Experience - A description of the proponent's related experience</p> <p>c) Location of Office - If awarded this Agreement, which office would provide support services? How many personnel are located in this office and what is their specific experience with the proposed work?</p>	10		30	
<p>Criterion 2 – Proponent's Qualifications</p> <p>a) Does the proposal demonstrate that the Proponent has qualified appraisers with accreditation and/or certifications?</p> <p>b) Does the proposal demonstrate that the Proponent has networks of appraisers throughout the country?</p> <p>c) Does the proposal describe the Proponent's ability to provide services in both official languages?</p>	15		45	

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 0 to 5	UPSET SCORE	SCORE A x B
<p>Criteria 3 - Communication</p> <p>a) Does the proposal demonstrate that the Proponent will ensure that all staff is made aware of CMHC's requirements and service standards?</p> <p>b) Does the proposal demonstrate that the Proponent has a process to book the first visit with the borrower to book the on-site visit?</p> <p>c) Does the proposal demonstrate how the Proponent will keep CMHC informed regarding delays and issues with difficult files?</p>	15		45	

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 0 to 5	UPSET SCORE	SCORE A x B
<p>Criteria 4 – Operational Methodology</p> <p>a) Does the proposal demonstrate that the Proponent has processes in place to avoid delays in difficult-to-service areas, such as in remote locations?</p> <p>b) How will the proponent manage the requests from CMHC for these services to ensure adherence with the Statement of Work and associated turnaround times?</p> <p>c) Does the proposal demonstrate the response mechanisms in the case of errors, omissions and delays?</p> <p>d) Does the proposal demonstrate that the Proponent will service CMHC as a priority client?</p> <p>e) Does the proposal include quality examples of each type of report: Full Appraisal, Desktop Appraisal, Drive-by Appraisal and Progress Advance Validations.</p> <p>f) Does the proposal demonstrate that the Proponent will provide a key operations manager during defined business hours?</p>	30		120	

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 0 to 5	UPSET SCORE	SCORE A x B
<p><i>Criteria 5 - Quality Control Measures and Performance Management</i></p> <p>a) What is the Proponent’s approach to quality control and the details of the methods used to ensure the quality of the work?</p> <p>b) Does the proposal include a sample quality assurance report form or any other quality assurance products or services?</p> <p>c) Does the Proposal demonstrate the mechanisms in the case of errors, omissions and delays?</p> <p>d) Does the Proposal demonstrate the monitoring process to ensure the Turnaround Times are met?</p> <p>e) How will the Proponent ensure continuous improvement of its practices and procedures for delivering the services?</p>	25		75	

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 0 to 5	UPSET SCORE	SCORE A x B
<p><i>Criterion 6 - Demonstrated Innovation</i></p> <p><i>a) Does the Proposal demonstrate innovative solutions that increase CMHC organizational performance and provide better quality products?</i></p> <p><i>b) Are any innovative solutions proposed? If so, how much will CMHC benefit from these solutions?</i></p> <p><i>c) Do the products or services proposed go beyond the minimum quality assurance reporting requirements and enable better results and better performance for CMHC? What would be the outcome should CMHC implement these services and/or actions?</i></p>	5		N/A	
TOTALS	100			

7.5 APPENDIX E – Mandatory Compliance Checklist

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Submission Deadline | Section 2.3.1 |
| <input type="checkbox"/> Offering Period | Section 2.7 |
| <input type="checkbox"/> Proponent's Qualifications | Section 4.5.2 |
| <input type="checkbox"/> Response to Statement of Work | Section 4.5 |
| <input type="checkbox"/> Pricing Proposal | Section 4.9 |
| <input type="checkbox"/> 7.2 Certificate of Submission | (Section 7 Appendices, Appendix A) |

Submission Deadline: November 6, 2017, 2 p.m. EST

7.7 APPENDIX G – Progress Advance Validations Report Template

Property Address / Adresse de la propriété	CMHC Account No. N° de compte de la SCHL	
Date of Report / Date du rapport		
<p>Guide to Percentage Completion of Single Storey, 1 ½ Storey, Split Level, 2 Storey and bi-Level Houses, Detached or Semi-Detached</p> <p>Guide – Degré d’achèvement des maisons individuelles et jumelées à un étage, un étage et demi, à mi- étages, à deux étages et à deux paliers.</p>		
<i>Actual / Réel</i>		
Excavation, Foundation Excavation, fondation		
Dampproof, Drain, Backfill Étanchement, drain, remblayage		
Frame, Sheathing, Roof Charpente, revêtement mural intermédiaire, toit		
Door, Windows Portes, fenêtres		
Rough Electrical Installation électronique primaire		
Rough Plumbing Plomberie primaire		
Insulation, Air-Vapour Barrier Isolation, pare air-vapeur		
Basement Floor Plancher de sous-sol		
Exterior Finish Finition extérieure		
Interior Wall / Ceiling Finish Revêtement du plafond et des murs		
Heat Equipment Installation de chauffage		
Complete Electrical Toute l’installation électrique		
Complete Plumbing Toute l’installation de plomberie		

Submission Deadline: November 6, 2017, 2 p.m. EST

Kitchen Cabinets, Vanity Armoires de cuisine et vanité		
Finish Carpentry Menuiserie de finition		
Interior Painting Peinture intérieure		
Flooring Revêtement de plancher		
Site Works, Improvements Aménagement extérieur		
TOTAL PERCENTAGE COMPLETE		
POURCENTAGE TOTAL D'ACHÈVEMENT		

NOTE: This progress advance report has been prepared solely for Canada Mortgage and Housing Corporation's internal purposes, as a guide estimating the level of completion of the above referenced property for loan advance purposes. It does not constitute a report of a technical inspection of the subject property to ensure compliance with any building or property standards and is not to be interpreted as such. CMHC does not assume any responsibility for any loss or damage to the present or any future owner of the subject property as a result of the preparation of this report.

NOTE : Ce rapport d'étape ne répond qu'aux besoins de la Société canadienne d'hypothèques et de logement. Il lui sert de guide pour estimer le degré d'achèvement de la propriété susmentionnée aux fins d'avance sur prêt. Il ne doit donc pas être considéré comme un rapport d'inspection technique de la propriété visant à déterminer si elle répond aux normes touchant les bâtiments ou la propriété. La SCHL ne saurait être tenue responsable de toute perte ou de tout dommage que pourrait subir le propriétaire actuel ou subséquent par suite de la rédaction de ce rapport.

Comments / Observations:

Signature :

Position Title / Titre du poste :

Date :

7.8 APPENDIX H – Full Appraisal, Drive-By and Desk Appraisal Report Requirements

7.8.1 Full Appraisal Report Requirements

Reports must include the following information:

- Front and rear elevations photos, and interior and street scene photos (where appropriate) of the subject property.
- Exterior and, when available, interior photos for all three comparable properties.
- MLS number for all three comparable properties.
- Explanation of any adjustments made to comparable properties.
- Summary of market conditions and value trends relative to the property being appraised.
- Brief description of the neighbourhood and surroundings.
- Map showing locations of the subject property and comparables used.
- Highest and best use of the land.
- Property description including built-ins and chattels.
- Current year assessment and taxes.
- Comments on marketability of the subject property and exposure time, based on the historical marketing or listing period for similar properties linked to the estimate, in addition to the appraiser's opinion on any trends that might impact the estimate of value.
- Electronic custom report, where available, to CMHC (specification to be given to successful proponent(s)).
- Identification if appraisal is for new construction, existing property or renovation.

Drive-By and Desk Appraisal Report Requirements

Reports must include the following information:

Drive-By and Desk Appraisal Report Requirements (items to be verified)

<i>Data Elements</i>	<i>Establishes Property Being Evaluated</i>	<i>Items to be Verified</i>
<i>Apt. Number</i>	X	
<i>Street Number</i>	X	
<i>Street Name</i>	X	
<i>Street Type</i>	X	
<i>Street Direction</i>	X	
<i>City Name (Canada Post)</i>	X	
<i>Postal Code</i>	X	
<i>Livable Floor Area*</i>		X
<i>Dwelling Style</i>		X
<i>Lot Size</i>		X
<i>Dwelling Type</i>		X
<i>Property Age</i>		X
<i>Garage Size</i>		X
<i>Garage Type</i>		X
<i>Property Market Value</i>		X
<i>Property Market Value After Improvements**</i>		X
<i>Corner Lot (yes or no)</i>		X
<i>Lot Shape (regular, irregular)</i>		X
<i>Lot Width</i>		X
<i>Lot Depth</i>		X
<i>Waterfront Property (yes or no)</i>		X
<i>Negative Influences in Neighbourhood</i>		X

*Full appraisals are normally indicated for condominium properties.

**Information about improvements to be provided.