



## Request for Qualification #289: Audit, Special Examination and Related Services

### Annual Refresh of Permanent Suppliers List Resulting from Request for Standing Offers #256 and #264

The permanent suppliers list resulting from RFSO #256 (Audit and Related Services) and RFSO #264 (Special Examination Auditing Services) is a procurement tool for the provision of professional services to the Office of the Auditor General of Canada (“**OAG**”) in support of audits and special examinations for specific requirements on an “as and when required” basis where the estimated expenditure exceeds \$89,600.00 (including applicable taxes).\*

The OAG conducts independent audits and studies that provide objective information, advice and assurance to Parliament, territorial legislatures, boards of Crown corporations, government and Canadians. The OAG’s head office is located in Ottawa and its four regional offices are located in Vancouver, Edmonton, Montréal and Halifax. Please see [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca) for further information about the OAG.

This qualification solicitation is intended as an invitation to qualify for refreshing the permanent suppliers list on an annual basis. The period for awarding any contracts resulting from a bid solicitation under this permanent suppliers list ends December 31, 2022 or at such earlier time as the OAG no longer considers it to be advantageous to use the list. This qualification solicitation permits new suppliers an opportunity to qualify at any time between the annual refreshment of the permanent suppliers list by responding to the most recent refresh terms and conditions. For greater certainty, this qualification solicitation is intended only for the purpose of refreshing the OAG’s permanent list of qualified suppliers. This qualification solicitation is not intended as a solicitation of bids or tenders for the purpose of awarding any standing offers or contracts and is not to be considered as a commitment to issue any bid solicitation or contract for any specific requirement.

The following five (5) service delivery streams (“**Streams**”) apply to the permanent suppliers list: Stream 1 – Financial Audits; Stream 2 – Systems and Information Technology Audits; Stream 3 – Financial Instruments Audits and Related Consulting Services; Stream 4 Actuarial Services; Stream 5 – Special Examination Auditing Services. Any supplier, who is the person or entity responding to, and compliant with, the requirements of this qualification solicitation and having legal capacity to contract (a “**Bidder**”), is invited to submit a proposal with their expression of qualification for placement on the permanent suppliers list.

Existing qualified suppliers are not required to requalify, as this process is intended to enable the ongoing opportunity for qualification by new suppliers. Suppliers have previously qualified for the permanent list by submitting proposals that were selected for standing offer award or where otherwise responsive to, and compliant with, the requirements, terms and conditions of the above-noted procurement processes. This qualification solicitation permits new suppliers to qualify under one or more Streams and existing suppliers to qualify under one or more additional Streams. Proposals will be evaluated separately and independently for each Stream in a manner consistent with the above-noted procurement processes as further described in Section 3 (Basis and Method of Evaluation) of this qualification solicitation.

**\*Note to Bidders:** This permanent suppliers list only applies to specific requirements exceeding the competitive ranking methodologies and call-up procedures set out the standing offers awarded as a result of the above-noted procurement processes. The permanent suppliers list may be used by the OAG, in its sole and absolute discretion, to solicit bids where the estimated expenditure in respect of the work exceeds \$89,600.00 (including applicable taxes) for audit, special examination and related services. The permanent suppliers list may also be used by the OAG, in its sole and absolute discretion, to solicit bids where the estimated expenditure in respect of special examination auditing services exceeds \$25,000 for specialized expertise.

**Permanent List of Qualified Suppliers**

Where bids are solicited for specific requirements, the OAG may, in its sole and absolute discretion, select a minimum of three (3) suppliers from the permanent suppliers list on a rotational basis and post a Notice of Proposed Procurement (NPP) on the Government Electronic Tendering Service (GETS). Selected suppliers will be emailed an invitation directly after the NPP is posted on GETS.

At a minimum, each bid solicitation will provide suppliers with twenty-four (24) calendar days to submit a bid, which amount of time may be decreased or extended at the OAG’s sole and absolute discretion. Suppliers may not submit a bid in response to a solicitation unless they have been invited to do so. Should a qualified supplier wish to be invited, it may contact the OAG to request an invitation at any time prior to five (5) days before the bid closing date, and an invitation will be made to that supplier unless it would not be consistent with the efficient operation of the procurement system. In no circumstance will such an invitation require the OAG to extend a bid closing date. Where additional invitations are made during the bid solicitation process, they may not be reflected in the bid solicitation document. The terms and conditions of any contract awarded in respect of the bid solicitation will be consistent with the standing offer terms and conditions resulting from the above-noted procurement processes.

The OAG reserves the right, in its sole and absolute discretion, to add qualified suppliers to the permanent list throughout the entire period of the list. Evaluations will be processed on an annual basis as identified in the table below. It is important to note that suppliers will not be eligible for a bid solicitation unless and until recommended for qualification for the permanent suppliers list as further described in Section 3 (Basis and Method of Evaluation) of this qualification solicitation.

The suppliers that have previously qualified for the OAG’s permanent list in each Steam are:

<u>Stream 1</u> Financial Audits	<u>Stream 2</u> Systems and Information Technology Audits	<u>Stream 3</u> Financial Instruments Audits and Related Consulting Services	<u>Stream 4</u> Actuarial Services	<u>Stream 5</u> Special Examination Auditing Services
Welch LLP Ernst & Young LLP Samson & Associates Deloitte LLP Marcil Lavallée Raymond Chabot Grant Thornton Pricewaterhouse Coopers LLP KPMG LLP BDO Canada LLP	Deloitte LLP KPMG LLP Pricewaterhouse Coopers LLP	Pricewaterhouse Coopers LLP Deloitte LLP KPMG LLP Ernst & Young LLP	Deloitte LLP Ernst & Young LLP Pricewaterhouse Coopers LLP KPMG LLP Morneau Shepell Ltd	Samson & Associates BDO Canada LLP Ernst & Young LLP Welch LLP KPMG LLP Raymond Chabot Grant Thornton Pricewaterhouse Coopers LLP Deloitte LLP MNP

## **Qualification Solicitation Dates and Defined Terms**

The capitalized words set forth in the table below shall have the following meanings where used in this qualification solicitation. Where not defined below, capitalized words shall have the meaning ascribed thereto elsewhere in this qualification solicitation.

Date of Issuance:	<b>17 July 2017</b>
Deadline for Requests for Clarification:	<b>1 October 2017 2:00 PM</b> Ottawa time (Refresh 1) <b>1 October 2018 2:00 PM</b> Ottawa time (Refresh 2) <b>1 October 2019 2:00 PM</b> Ottawa time (Refresh 3) <b>1 October 2020 2:00 PM</b> Ottawa time (Refresh 4) <b>1 October 2021 2:00 PM</b> Ottawa time (Refresh 5)
Deadline for Proposals:	<u>Schedule for Annual Evaluation Cycle</u> <b>15 October 2017 2:00 PM</b> Ottawa time (Refresh 1) <b>15 October 2018 2:00 PM</b> Ottawa time (Refresh 2) <b>15 October 2019 2:00 PM</b> Ottawa time (Refresh 3) <b>15 October 2020 2:00 PM</b> Ottawa time (Refresh 4) <b>15 October 2021 2:00 PM</b> Ottawa time (Refresh 5)
Proposal Validity Period:	<b>120</b> calendar days from Deadline for Proposals
Proposal Delivery Address:	<b>240 Sparks Street Ottawa, Ontario K1A 0G6</b> <b>Main Scanning Room S-143; S-1 Level</b>
Request for Clarification Address:	<a href="mailto:suppliers@oag-bvg.gc.ca">suppliers@oag-bvg.gc.ca</a>
Anticipated Qualification Date:	<b>December 2017</b> (Refresh 1) <b>December 2018</b> (Refresh 2) <b>December 2019</b> (Refresh 3) <b>December 2020</b> (Refresh 4) <b>December 2021</b> (Refresh 5)
Procurement and Contracting Officer:	<b>Beth Cooper</b>

## **Incorporated Sections and Forms**

This qualification solicitation consists of the following sections, appendices and information, which are incorporated by reference in addition to the first page of this qualification solicitation:

Instructions to Bidders:	See Section 1 (Solicitation Terms and Conditions)
Requirement for Services and/or Goods:	See Section 2 (Statement of Work)
Evaluation and Selection Process:	See Section 3 (Basis and Method of Evaluation); and Section 4 (Proposal Requirements)
Form of Contract:	See Section 5 (Contract Terms and Conditions)
Required Forms:	Appendix "A" (Declarations and Certifications)

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## **SECTION 1 SOLICITATION TERMS AND CONDITIONS**

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- 1.1 Proposal Delivery. Proposals are due to be received at the Proposal Delivery Address no later than the Deadline for Proposals specified on page 1 of this qualification solicitation. If the Proposal Delivery Address specified on page 1 of this qualification solicitation is a physical mail address, the time of proposal receipt shall be the time the physical proposal is received by an OAG authorized representative at the Proposal Delivery Address. If the Proposal Delivery Address is an electronic mail address, the time of proposal receipt shall be the time the electronic proposal is received in the inbox of the Proposal Delivery Address. It is the Bidder's responsibility to ensure that the proposal is received at the Proposal Delivery Address no later than the Deadline for Proposals.
- 1.1.1 Proposals received later than the Deadline for Proposals or at any location other than the Proposal Delivery Address may be deemed non-compliant and rejected, in the OAG's sole and absolute discretion, unless the Bidder provides evidence, to the OAG's satisfaction, substantiating that the proposal was sent to the Proposal Delivery Address before the Deadline for Proposals and the delay in receipt is attributable to circumstances beyond the Bidder's control.
- 1.1.2 Bidders may, in writing, revoke or modify a proposal received at the Proposal Delivery Address at any time up to the Deadline for Proposals. Bidders may not, without the prior written consent of the OAG, which may be reasonably withheld, assign or transfer their proposal to a third party in whole or in part or submit more than one (1) proposal.
- 1.2 Proposal Format. Proposals are to be submitted in either English or French, with the Bidder's contact information and the reference to this qualification solicitation clearly identified, as follows: one (1) sealed envelope labelled "**Technical Offer**", containing the Bidder's response to any mandatory and rated requirements set out in Section 4 (Proposal Requirements) of this qualification solicitation, within a second (2<sup>nd</sup>) sealed envelope together with any forms or additional information. No financial evaluation is required to qualify for the permanent suppliers list as described in section 3 (Basis and Method of Evaluation) of this qualification solicitation. For greater certainty, financial and pricing information, if provided, should NOT appear in the Technical Offer as described in section 4.4 (Financial Requirements) of this qualification solicitation.
- 1.3 Requests for Clarification. Any request for clarification of the contents of, or for interpretation or correction of, or questions or concerns relating to, this qualification solicitation are to be: (i) received no later than the Deadline for Requests for Clarification specified on page 1 of this qualification solicitation; (ii) addressed to the Procurement and Contracting Officer in English or French; and (iii) made in writing by electronic mail referencing this qualification solicitation in the subject line to the Request for Clarification Address specified on page 1 of this qualification solicitation.
- 1.3.1 Answers to such requests will be made available as written addenda to this qualification solicitation without identifying the source(s) of the requests, provided they are received no later than the Deadline for Requests for Clarification. Any request received later than the Deadline for Requests for Clarification may not be answered by the OAG.
- 1.3.2 Any attempt by a Bidder or any of its employees, agents, contractors or any other representatives to contact any person at the OAG other than the Procurement and Contracting Officer regarding this qualification solicitation, may in the OAG's sole and absolute discretion, result in the Bidder's disqualification and the rejection of their proposal. Nothing in this qualification solicitation limits the OAG's right, in its sole and absolute discretion, to communicate with any Bidder regarding any matter in the normal course of business arising from any contractual relationship for the provision of any similar or other services or goods independently of this qualification solicitation.

- 1.4 Required Forms. Bidders are to include with their proposal any forms listed in Appendix “A” (Declarations and Certifications) to this qualification solicitation. Where a Bidder fails to include any such forms with its proposal, the OAG may, in its sole and absolute discretion: (a) require the submission of such forms within a prescribed timeframe satisfactory to the OAG prior to the Anticipated Qualification Date specified on page 1; or (b) reject or refuse to consider any proposal from a Bidder who fails to comply with any such submission requirement.
- 1.5 Irrevocable Proposal. By submitting a proposal, a Bidder: (a) submits an irrevocable offer, which is firm, in effect and open for acceptance for the Proposal Validity Period specified on page 1 of this qualification solicitation; (b) agrees unconditionally to all the terms and conditions set out in this qualification solicitation, including without limitation the terms and conditions of any resulting Contract, if awarded, as set out in Section 5 (Contract Terms and Conditions); and (c) agrees, if the OAG deems it necessary, to extend the Proposal Validity Period, unless the Bidder revokes its proposal in writing within five (5) calendar days of notice of such extension by the OAG.
- 1.6 Evaluation and Selection. Proposals will be evaluated and selected in accordance with the entire requirement of the qualification solicitation, including but not limited to the process set out Section 3 (Basis and Method of Evaluation) and the criteria set out in Section 4 (Proposal Requirements).
- 1.7 Reserved Rights. Notwithstanding anything to the contrary in this qualification solicitation, the OAG reserves the right, in its sole and absolute discretion, to:
- (a) accept proposal(s): (i) which in the OAG’s sole and absolute discretion, fail in any material respect to comply with the requirements of this qualification solicitation; and (ii) in whole or in part without negotiations;
  - (b) enter into negotiations with: (i) any and all Bidders on any and all aspects of their proposal, to ensure the OAG’s business requirements are satisfied and to promote value for money; and (ii) in the event, in the OAG’s sole and absolute discretion, no proposals meet the requirements of this qualification solicitation, any and all Bidders, or any prospective persons or entities capable of delivering the required services or goods but who have not submitted a proposal in response to this qualification solicitation;
  - (c) intentionally deleted;
  - (d) cancel, modify, re-issue and suspend: (i) any aspect of this qualification solicitation, in whole or in part, at any time, for any reason; and (ii) the schedule of this qualification solicitation, in whole or in part, at any time, for any reason, including but not limited to, the Deadline for Requests for Clarification, the Deadline for Proposals, the Anticipated Qualification Date and any other activity or date stipulated in this qualification solicitation; and (iii) this qualification solicitation in its current or modified form and invite new proposals only from the Bidders who submitted proposals in response to this qualification solicitation where none of those proposals meet the requirements of the qualification solicitation and to do so is deemed, in the OAG’s sole and absolute discretion, to be in the OAG’s best interests;
  - (e) qualify, as a result of this qualification solicitation: (i) one (1) Bidder; (ii) more than one (1) Bidder; and (iii) no Bidders;
  - (f) seek substantiation, clarification, and validation of, and take into account, independently or with the assistance of the Bidder, any and all information provided by the Bidder with respect to this qualification solicitation and, for this purpose, disclose any and all information provided to the Bidder to any third party, subject to the OAG obtaining reasonable assurances of confidentiality from such third party;

(g) reject and refuse to consider, any proposal: (i) failing to respond to, or comply with, any of the requirements or terms and conditions of this qualification solicitation in any material respect, in the OAG's sole and absolute discretion; (ii) containing false, unethical, misrepresented or discriminatory information or in respect of which the OAG receives evidence to its satisfaction of fraud, bribery, misrepresentation or failure to comply with any law protecting individuals against any manner of discrimination by or on behalf of the Bidder; (iii) in the event any matter causes or is likely to cause, in the OAG's sole and absolute discretion, a real, apparent or perceived conflict of interest in relation to the selection of any such proposal; (iv) from a Bidder who colludes with one (1) or more other Bidders in the preparation of any proposal; (v) from a Bidder who fails to cooperate with the OAG in any attempt to substantiate, clarify, or validate any information provided by the Bidder or who fails to provide accurate and complete documentation as directed by the OAG; (vi) from a Bidder against whom economic sanctions have been imposed by the Government of Canada; (vii) from a Bidder with whom the OAG has previously terminated a contract for any reason or has had a previous, or currently has a commercial or legal dispute that, in the OAG's sole and absolute discretion, would impair the OAG's ability to enter into the productive business arrangement contemplated by this qualification solicitation; (viii) from a Bidder failing to have the capacity to contract with Her Majesty or prohibited from receiving any benefits under a contract between Her Majesty and any other person by virtue of Section 750(3) of the *Criminal Code of Canada*; (ix) from a Bidder that is bankrupt or where, for whatever reason, the Bidder's activities are rendered inoperable for an extended period; and (x) from a Bidder publicly listed as ineligible to be awarded a procurement contract pursuant to the Government of Canada's Integrity Regime;

(h) waive irregularities, informalities, omissions and defects in any proposal where, in the OAG's sole and absolute discretion, they do not materially affect the ability of the bidder to provide the services or goods required by this qualification solicitation; and

(i) invite only the Bidders who submitted proposals in response to this qualification solicitation to resubmit their proposals within a time period specified by the OAG in the event no proposals meet the requirements of this qualification solicitation, where to do so is deemed to be in the OAG's best interest, in its sole and absolute discretion, and provided the requirements of the qualification solicitation are not substantially modified.

The exercise of any of the foregoing rights, either alone or in combination with each other, shall not be interpreted as waiving or limiting the exercise of any other rights by the OAG hereunder or otherwise at law.

- 1.8 Limitation of Liability. In no event shall the OAG, its employees, contractors, consultants and advisors be liable or responsible for any damages, including but not limited to, any direct, indirect, consequential, incidental, general, special or exemplary damages, any economic losses, any lost profits, opportunities, expenses, costs or any other losses arising out of, in connection with, or in any way related to, any Bidder's participation in this qualification solicitation or any acts, omissions or errors, including without limitation negligence of, or breach of contract by, the OAG, its employees, contractors, consultants and advisors. Without limiting the foregoing, expenses or costs incurred by any Bidder in any way related to or associated with this qualification solicitation, including but not limited to preparing, submitting or evaluating their proposal, providing information to the OAG or the OAG's authorized representative, and the satisfaction, fulfillment or completion of any conditions precedent to any contract with the OAG to deliver the services and/or goods required by this qualification solicitation, are the Bidder's sole responsibility and will not be reimbursed by, chargeable to, or otherwise payable by, the OAG in any way. Without limiting any rights the OAG may reserve elsewhere in this qualification solicitation or may have otherwise at law, the OAG may elect to exercise its sole and absolute discretions pursuant to this qualification solicitation without any liability or obligation to any Bidder. If any Bidder is determined by a court or tribunal of competent jurisdiction to be entitled to compensation arising from this qualification

solicitation, the total maximum of any such compensation shall be limited to one thousand dollars (\$1,000.00).

- 1.9 Amendment. Any amendment to this qualification solicitation shall be issued by the OAG in writing and will be made available in the form of an addendum in the same manner as this qualification solicitation is issued.
- 1.10 Property. Proposals received in response to this qualification solicitation shall become the property of the OAG and will not be returned to any Bidder. All proposals will be treated as confidential, subject to the provisions of the *Access to Information Act*, R.S.C., 1985, c. A-1 (as amended) and the *Privacy Act*, R.S.C., 1985, c. P-21 (as amended).
- 1.11 Governing Law. This qualification solicitation shall be governed by and construed in accordance with, and the relations between the parties determined by, the laws in force in the Province of Ontario, Canada. The qualification solicitation is also subject to the *North American Free Trade Agreement (NAFTA)*, the *Canadian Free Trade Agreement (CFTA)* (formerly the *Agreement on Internal Trade (AIT)*) and the *World Trade Organization Agreement on Government Procurement (WTO-AGP)*.
- 1.12 Resulting Bid Solicitation and Contracts. Bidders who submit a proposal agree to be bound by the instructions, terms and conditions of the qualification solicitation and accept the terms and conditions of the resulting bid solicitation and Contract(s), if any. The bid solicitation and Contract(s) resulting from this qualification solicitation, if any, shall be comprised of, without limitation, in the following order of priority in the event and to the extent of any discrepancies, inconsistencies, ambiguities or conflict of or between the wording of one document and any other document: (a) the form of agreement set out in Section 5 (Contract Terms and Conditions), including but not limited to the terms and conditions therein; (b) the requirement for services and/or goods set out in Section 2 (Statement of Work); (c) any other sections, appendices and information incorporated in this qualification solicitation and any resulting bid solicitation as the OAG may deem appropriate, in its sole and absolute discretion, to include as part of the resulting Contract(s); (d) this qualification solicitation and any resulting bid solicitation; and (e) the documents submitted with the selected proposal and any proposal responding to any resulting bid solicitation. The bid solicitation, if any, resulting from this qualification solicitation, may also include the following, in the OAG's sole and absolute discretion, without limitation: (a) security requirements; (b) further description and particulars of the work to be performed; (c) bid preparation instructions; (d) instructions for the submission of bids; (e) evaluation procedures and basis of selection; (f) financial capability assessment; (g) certifications and declaration; and (h) additional terms and conditions of the resulting contract.
- 1.13 Debriefing. Bidders may submit a request for a debriefing to the Procurement and Contracting Officer in writing within fifteen calendar days of the OAG's notification of the results of this qualification solicitation. Any such debriefing may be conducted in writing, in person or by telephone, at the OAG's sole and absolute discretion.
- 1.14 Disclaimer. The OAG makes no representation or warranty as to the accuracy or completeness of any information provided in connection with this qualification solicitation and disclaims all express and implied representations, warranties, and conditions in connection with this qualification solicitation. Bidders are solely responsible for, if necessary, making their own investigations, projections and conclusions and consulting their own advisors to verify independently the information contained in this qualification solicitation, and, if required, obtaining any additional information and clarification of the requirements or other matters in this qualification solicitation, prior to submitting a proposal.

- 1.15 General. This qualification solicitation constitutes the entire understanding of the services and/or goods required by the OAG and the process by which a Bidder may be selected for recommendation of qualification. In the event and to the extent of any discrepancies, inconsistencies, ambiguities or conflict of or between the wording of this qualification solicitation and the wording of documents submitted by the Bidder, the wording of this qualification solicitation shall govern. In the event and to the extent of any discrepancies, inconsistencies, ambiguities or conflict of or between the wording of the English and French versions of this qualification solicitation, the common interpretation between the two versions shall govern.

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**SECTION 2 STATEMENT OF WORK**

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Capitalized words used in this Section 2 (Statement of Work) but not otherwise defined herein or in the qualification solicitation shall have the meaning set forth in the agreement attached to the qualification solicitation in Section 5 (Contract Terms and Conditions).

### **Streams for Audit, Special Examination and Related Services**

The OAG regularly requires the services of external audit professionals and consultants to supplement its internal resources and expertise. To ensure the availability of resources, the OAG has identified the requirement to establish a permanent list of qualified suppliers for the provision of professional services on an “as requested and when required” basis in support of audits and special examinations for specific requirements exceeding the competitive ranking methodologies and call-up procedures set out in standing offers awarded as a result of the prior procurement processes.

The Contractor’s Personnel may be required to perform work at OAG headquarters in Ottawa, any of the OAG’s regional offices, and at various other locations depending on the nature of the project and the entity being audited. These services are comprised of the following five (5) service delivery streams (“Streams”) described below in this Statement of Work. Additional information can be obtained by consulting the OAG website at [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca) under the heading “About the OAG”.

#### **Stream 1—Financial Audits**

The OAG has statutory responsibilities for the audit of the summary financial statements of the Government of Canada, the financial statements of the three territorial governments; the financial audits of federal and territorial Crown Corporations, and organizations; and other financial audit and direct engagements.

The OAG’s financial audits provide assurance that financial statements are presented fairly in accordance with Canadian generally accepted accounting principles or other relevant standards and also, in the case of the summary financial statements of the Government of Canada, in accordance with the accounting policies of the Government of Canada, which are based on generally accepted accounting principles for the public sector.

Where required or appropriate, the OAG also provides assurance that these organizations comply with the key legislative authorities that govern their activities. In addition, if issues are found during the financial audit work, the OAG makes recommendations for improvements in areas such as financial reporting and internal controls to management and those charged with governance.

The OAG reports observations on the summary financial statements of the Government of Canada in the Public Accounts of Canada, Volume 1 and publishes reports on the use of financial information and other significant issues in the Auditor General’s reports to Parliament. Financial audits of Crown Corporations are published annually in the statutory reports of these Crown Corporations. Financial audits of territorial governments are published annually in the public accounts of the territorial governments of Nunavut, the Yukon, and the Northwest Territories.

Financial audits of the federal government and related organizations are similar to private sector audits, except that they may have the following two additional components: (a) an opinion on whether transactions examined by the auditors conform to laws and regulations; (b) a report on any other matters the Auditor General considers to be of significance and of a nature that should be brought to the attention of Parliament.

In financial audits, auditors test whether financial transactions support the amounts and disclosures in the financial statements. Audit procedures may include, among other things, comparing the results of operations with planned results, assessing the reliability of an organization’s financial control systems, and

checking samples of transactions and balances. Auditors supplement these audit tests by further analysis and discussions with management.

In most instances, Contractor’s Personnel will be integrated as part of an audit team comprised of OAG staff, and work under the instruction of OAG managers in collaboration with OAG junior staff. While these services are normally conducted in support of specific financial audits, the OAG may also request these services for other engagements from time to time subject to specific requirements.

The minimum education and designations, and experience qualifications for various categories of Contractor Personnel that may be required and requested by the OAG for this Stream are as follows:

<b>Personnel Categories and Requirements Stream 1</b>	<b>Financial Audit</b>
<b>Partners / Principals</b>	
1. Education and Designations	<ul style="list-style-type: none"> <li>• Accounting designation (CPA,CA; CPA,CGA; CPA, CMA); and</li> <li>• Public accounting licence</li> </ul>
2. Minimum Experience	10 years public accounting, including 5 years directing engagements
3. Project Descriptions	Provide 2 project descriptions within the previous 5 years
<b>Managers</b>	
1. Education and Designations	<ul style="list-style-type: none"> <li>• Accounting designation (CPA, CA; CPA, CGA; CPA,CMA)</li> </ul>
2. Minimum Experience	8 years public accounting, including 3 years managing engagements
3. Project Descriptions	Provide 2 project descriptions within the previous 3 years
<b>Senior Auditors/Consultants</b>	
1. Education and Designations	<ul style="list-style-type: none"> <li>• Accounting designation (CPA, CA; CPA, CGA; CPA, CMA)</li> </ul>
2. Minimum Experience	5 years public accounting, including supervisory experience
3. Project Descriptions	Provide 2 project descriptions within the previous 12 months
<b>Auditors/Consultants</b>	
1. Education and Designations	<ul style="list-style-type: none"> <li>• Accounting designation (CPA, CA; CPA, CGA; CPA, CMA); and</li> <li>• University degree</li> </ul>
2. Minimum Experience	2 years public accounting experience

<b>Personnel Categories and Requirements</b>	
<b>Stream 1</b>	<b>Financial Audit</b>
3. Project Descriptions	Provide 1 project description within the previous 12 months
<b>Junior Auditors/Consultants</b>	
1. Education and Designations	University degree, pursuing a CPA designation with a public accounting licence requirement
2. Minimum Experience	6 month public accounting experience
3. Project Descriptions	Provide 1 project description within the previous 6 months

**Stream 2—Systems and Information Technology (IT) Audits**

This audit Stream involves the conduct of a broad range of reviews of IT general controls in support of financial statement audits, providing training to the OAG’s IT auditors, and assisting the OAG in developing IT audit methodology as well as data analytics. The OAG may also request these services for other engagements from time to time subject to specific requirements.

When reviewing IT general controls, auditors under contract with the OAG are required to review: (i) the design and implementation or the operating effectiveness of IT general controls at the application level and in the technical infrastructure that supports the applications in an audit entity; and (ii) the controls over access provisioning and security, change management and computer operations. The objective of the review is to determine:

1. The feasibility of developing a controls-based approach to auditing the accounts of the audit entity; or
2. The operating effectiveness of the IT general controls in support of the annual audit of the accounts of the audit entity.

In most instances, Contractor’s Personnel will be integrated as part of a team comprised of OAG staff, and work under the instruction of OAG managers in collaboration with OAG junior staff and/or may be required to provide the team with an independent report on their review of the IT general controls that they reviewed.

The minimum education and designations, and experience qualifications for various categories of Contractor Personnel that may be required and requested by the OAG for this Stream are as follows:

<b>Personnel Categories and Requirements</b>	
<b>Stream 2</b>	<b>Systems and Information Technology Audit</b>
<b>Partners /Principals</b>	
1. Education and Designations	<ul style="list-style-type: none"> <li>• Designation in an IT related field, (CISA or CRISC designation); and</li> <li>• Undergraduate university degree (e.g. Bachelor’s degree or equivalent or higher)</li> </ul>

<b>Personnel Categories and Requirements</b>	<b>Systems and Information Technology Audit</b>
<b>Stream 2</b>	
2. Minimum Experience	15 years IT audit experience, including 5 years directing engagements
3. Project Descriptions	Provide 2 recent project descriptions within the previous 12 months
<b>Managers</b>	
1. Education and Designations	<ul style="list-style-type: none"> <li>• Designation in an IT related field (CISA or CRISC); and</li> <li>• Undergraduate university degree (e.g. Bachelor's degree or equivalent or higher)</li> </ul>
2. Minimum Experience	10 years IT audit experience, including 3 years managing engagements
3. Project Descriptions	Provide 2 project descriptions within the previous 12 months
<b>Senior Auditors/Consultants</b>	
1. Education and Designations	<ul style="list-style-type: none"> <li>• Designation in an IT related field (CISA or CRISC); and</li> <li>• Undergraduate university degree (e.g. Bachelor's degree or equivalent or higher)</li> </ul>
2. Minimum Experience	5 years IT audit experience, including supervisory experience
3. Project Descriptions	Provide 2 project descriptions within the previous 12 months
<b>Auditors/Consultants</b>	
1. Education and Designations	University degree in related field
2. Minimum Experience	3 years IT audit experience
3. Project Descriptions	Provide 1 recent project description

### **Stream 3—Financial Instruments Audit and Related Consulting Services**

This specialized area of audit and consulting services includes a broad range of services, such as but not limited to, the review and assessment of valuations of financial instruments, including, without limitation, derivatives; the review and assessment of valuations of private market investments; the review and assessment of financial instrument accounting policies, procedures, systems and controls, as well as their financial statement presentation and disclosures; and the review of risk and fraud management practices. This may also include assisting the OAG's audit team in developing its audit approach in this complex and technical area. While these services are normally conducted in support of specific financial audits, the OAG may also request these services for other engagements from time to time subject to specific requirements.

In most instances, Contractor's Personnel will be integrated as part of an audit team comprised of OAG staff, and work under the instruction of OAG managers in collaboration with OAG junior staff, and/or may be required to provide the team with an independent report on the examination or study of a particular audit line of enquiry or topic.

The following summarizes the scope of service described above:

### **1. Financial Instruments Valuation**

Review and assess financial instrument valuation methodologies including, without limitation:

- a. Models and methodologies used to value financial instruments;
- b. Assumptions used as input to models and methodologies, including without limitation, market data;
- c. Information systems and controls related to financial instruments;
- d. An assessment of the value included in the financial statements, within a range of reasonableness; and
- e. Review and assess sensitivity analysis of financial instruments.

Provide related advice and consulting services throughout the audit and/or engagement, as requested, on various transactions, valuations and disclosures related to financial instruments valuation.

### **2. Private markets Investments Valuation**

Review and assess private market investments valuation methodologies including, without limitation:

- a. Models and methodologies used to value private equity, venture capital, infrastructure, renewable resources and real estate investments;
- b. Assumptions used as input to models and methodologies;
- c. An assessment of the value included in the financial statements, within a range of reasonableness; and
- d. Review and assess sensitivity analysis of investments.

Provide related advice and consulting services throughout the audit and/or engagement, as requested, on various transactions, valuations and disclosures related to private market investments valuation.

### **3. Accounting policy; procedure; financial statement presentation; and disclosures**

Review and assess the financial instrument accounting policies, procedures, systems and controls, including, without limitation:

- a. Fair value accounting;
- b. Hedge accounting;
- c. Derivative accounting; and
- d. Loan impairment methodology

Review and assess the financial statement presentation and disclosures for financial instruments to ensure they are complete and accurate, and comply with applicable Canadian generally accepted accounting principles or other relevant standards.

Provide related advice and consulting services throughout the audit and/or engagement, as requested, on various transactions, valuations and disclosures related to accounting policy, procedure, financial statement presentation and disclosures.

#### 4. Risk Management

Review and assess the risk management procedures, policies, and framework, including, without limitation:

- a. Risk management models and techniques;
- b. Information systems and controls related to risk metrics; and
- c. Risk management systems and practices.

Provide related advice and consulting services throughout the audit and/or engagement, as requested, on various transactions, valuations and disclosures related to risk management models, techniques, systems, practices and controls.

The minimum education and designations, and experience qualifications for various categories of Contractor Personnel that may be required and requested by the OAG for this Stream are as follows:

Personnel Categories and Requirements Stream 3	Financial Instruments Valuation	Private Markets Valuation	Financial Instrument/ Derivative Accounting	Risk Management
<b>Partners / Principals</b>				
1. Education and Designation	<ul style="list-style-type: none"> <li>• Professional designation (CPA, CFA or FRM) <u>and</u> public accounting license; <u>or</u></li> <li>• Post graduate and/or graduate university degree (e.g. Master's degree or equivalent or higher)</li> </ul>	<ul style="list-style-type: none"> <li>• Professional designation (CPA, CBV, CFA or FRM)</li> </ul>	<ul style="list-style-type: none"> <li>• Professional designation (CPA); <u>and</u> public accounting license</li> </ul>	<ul style="list-style-type: none"> <li>• Professional designation (CPA, CFA, or FRM); <u>or</u></li> <li>• Post graduate and/or graduate university degree (e.g. Master's degree or equivalent or higher)</li> </ul>
2. Minimum Experience	10 years financial Instruments valuation experience, including 5 years directing engagements	10 years private markets valuation experience, including 5 years directing engagements	10 years financial instrument/derivative accounting experience, including 5 years directing engagements	10 years risk management experience, including 5 years directing engagements

Personnel Categories and Requirements Stream 3	Financial Instruments Valuation	Private Markets Valuation	Financial Instrument/ Derivative Accounting	Risk Management
3. Project Descriptions	Provide 2 project descriptions within the previous 5 years	Provide 2 project descriptions within the previous 5 years	Provide 2 project descriptions within the previous 5 years	Provide 2 project descriptions within the previous 5 years
<b>Managers</b>				
1. Education and Designation	<ul style="list-style-type: none"> <li>• Professional designation (CA, CFA or FRM ); <u>or</u></li> <li>• Post graduate and/or graduate university degree (e.g. Master's degree or equivalent or higher)</li> </ul>	<ul style="list-style-type: none"> <li>• Professional designation (CPA, CBV, CFA or FRM); <u>or</u></li> <li>• Post graduate and/or graduate university degree (e.g. Master's degree or equivalent or higher)</li> </ul>	<ul style="list-style-type: none"> <li>• Professional designation (CPA)</li> </ul>	<ul style="list-style-type: none"> <li>• Professional designation (CA, CFA, or FRM); <u>or</u></li> <li>• Post graduate and/or graduate university degree (e.g. Master's degree or equivalent or higher)</li> </ul>
2. Minimum Experience	8 years financial Instruments valuation experience, including 3 years managing engagements	8 years private markets valuation experience, including 3 years managing engagements	8 years financial instrument/ derivative accounting experience, including 3 years managing engagements	8 years risk management experience, including 3 years managing engagements
3. Project Descriptions	Provide 2 project descriptions within previous 3 years	Provide 2 project descriptions within previous 3 years	Provide 2 project descriptions within previous 3 years	Provide 2 project descriptions within previous 3 years

<b>Senior Auditors/Consultants</b>				
1. Education and Designation	<ul style="list-style-type: none"> <li>Professional designation (CA, CFA or FRM ); or</li> <li>Post graduate and/or graduate university degree (e.g. Master's degree or equivalent or higher)</li> </ul>	<ul style="list-style-type: none"> <li>Professional designation (CA, CFA, CBV or FRM ); or</li> <li>Post graduate and/or graduate university degree (e.g. Master's degree or equivalent or higher)</li> </ul>	<ul style="list-style-type: none"> <li>Professional designation (CPA)</li> </ul>	<ul style="list-style-type: none"> <li>Professional designation (CA, CFA, or FRM); or</li> <li>Post graduate and/or graduate university degree (e.g. Master's degree or equivalent or higher)</li> </ul>
2. Minimum Experience	3 years financial Instruments valuation experience	3 years private markets valuation experience	3 years financial instrument/derivative accounting experience	3 years risk and management experience
3. Project Descriptions	Provide 2 project descriptions within the previous 2 years	Provide 2 project descriptions within the previous 2 years	Provide 2 project descriptions within the previous 2 years	Provide 2 project descriptions within the previous 2 years

#### **Stream 4—Actuarial Services**

In order to deliver an audit opinion, the OAG may rely on the services of consulting actuaries to obtain the required level of assurance that the insurance policy liabilities (including amongst other things workers' compensation liabilities, mortgage loan insurance, and bonding) and/or employee benefits, are accounted for and presented in accordance with applicable Canadian generally accepted accounting principles or other relevant standards, and are in accordance with the Canadian Institute of Actuaries (CIA) standards. While these services are normally conducted in support of specific financial audits, the OAG may also request these services for other engagements from time to time subject to specific requirements.

In most instances, Contractor's Personnel will be integrated as part of an audit team comprised of OAG staff, and work under the instruction of OAG managers in collaboration with OAG junior staff. The actuarial specialist's audit of insurance policy liabilities, and/or employee benefits, will be performed in accordance with Canadian Auditing Standards, using the guide on "Audits of Financial Statements that Contain Amounts that Have Been Determined Using Actuarial Calculations." Further, the valuations shall be assessed against applicable Canadian generally accepted accounting principles or other relevant standards.

##### **1. Audit Conclusion on Insurance policy liabilities, including but not limited to Insurance Premium/Claims' and Workers' Compensation Actuarial Valuations**

The consulting actuary will provide the OAG with audit support and an audit conclusion on the actuarial valuation and provide a report regarding the liability for premium/claims on insurance, including but not limited to all necessary working papers to support the work performed. In providing

a conclusion to the OAG, performance of the following procedures and deliverables may be expected, among other things:

- a. Ascertaining that the work of the actuary involved in the preparation of the financial statements (the “audit entity’s actuary”) is within the range of actuarial practice, as established by the CIA;
- b. Documenting or assessing the documentation of the actuarial valuation processes and the related control structure, including but not limited to performing a walkthrough to confirm understanding of these processes;
- c. Reviewing and assessing the methodology used by the audit entity and/or audit entity’s actuary for the actuarial determination and completeness of the documentation;
- d. Assessing whether the methodology is consistent with applicable Canadian generally accepted accounting principles or other relevant standards, and applicable CIA standards;
- e. Assessing whether the methodology is consistent with the prior year, and where there are changes, determining the impact of such changes on this year’s valuation;
- f. Assessing the appropriateness of the assumptions made and the methods used to determine them;
- g. Determining whether the audit entity’s actuary’s report appropriately and accurately describes the assumptions and methodology used;
- h. Assisting in the review of the adequacy of controls, systems and the work of others relied on by the audit entity’s actuary. This may include, amongst other things, checks on data integrity and checks on procedures and methodologies used to validate the calculations and results;
- i. Testing and assessing the overall appropriateness of the audit entity’s insurance policy liabilities considering the methodology, controls, assumptions, and source data used, and determining if the liability is within a reasonable range. The testing and assessment shall be performed in accordance with applicable CIA standards, and the consulting actuary shall provide an indication of the standards applied;
- j. Assessing the appropriateness and reasonableness of the financial statement disclosures, including amongst other things, sensitivity analysis disclosures;
- k. Review the historical accuracy of prior year estimates;
- l. Providing technical advice, subject matter expertise and training in the areas of accounting and auditing of actuarially determined insurance related balances when relevant;
- m. Bringing to the attention of the audit team any issues or matters encountered in the conduct of the consulting actuary’s work;
- n. Producing a written report documenting the findings of the review, which concludes on the work performed and the overall reasonableness of the audit entity’s insurance policy liabilities considering the methodology, controls, assumptions and source data used. The report should highlight the key aspects of the methodology and give an opinion as to whether or not the methodology is appropriate under CIA standards and Canadian generally accepted accounting principles or other relevant standards; and
- o. Assisting the auditor in presenting the findings to the audit entity if requested.

More detailed guidance is provided in the Canadian Institute of Chartered Accountants (CICA) – Canadian Institute of Actuaries (CIA) published guide: “Audits of Financial Statements that Contain Amounts that Have Been Determined Using Actuarial Calculation.”

## **2. Audit Conclusion on Employee Benefits', including but not limited to Pension Benefits and other post-retirement benefits actuarial valuations**

The consulting actuary will provide the OAG with support and an audit conclusion on the actuarial valuation and report regarding the liability for employee benefits, including but not limited to all necessary working papers to support the work performed. In providing a conclusion to the OAG, performance of the following procedures and deliverables may be expected:

- a. Ascertaining that the work of the audit entity's actuary is within the range of actuarial practice, as established by the CIA;
- b. Documenting or assessing the documentation of the methodology of actuarial valuation processes and the related control structure, including but not limited to performing a walkthrough to confirm understanding of this methodology;
- c. Reviewing and assessing the methodology used for the actuarial determination and completeness of the documentation;
- d. Assessing whether the methodology is consistent with applicable Canadian generally accepted accounting principles or other relevant standards and applicable CIA standards;
- e. Assessing whether the methodology is consistent with the prior year, and where there are changes, determining the impact of such changes on the current year valuation;
- f. Reviewing the appropriateness of the assumptions made and the methods used to determine them, as well as the reasonability of the year-over-year change in the employee benefit liability resulting from variations in assumptions;
- g. Determining whether the audit entity's actuarial report appropriately and accurately describes the assumptions and methodology used;
- h. Assisting in the review of the adequacy of controls, systems and the work of others relied on by the audit entity's actuary. This may include, among other things, checks on data integrity and checks on procedures and methodologies used to validate the calculations and results;
- i. Testing and assessing the overall appropriateness of the audit entity's liability for employee benefits, considering the methodology, controls, assumptions, and source data used, and determining if the liability is within a reasonable range. The testing and assessment shall be performed in accordance with applicable CIA standards, and the consulting actuary shall provide an indication of the standards applied;
- j. Providing technical advice, subject matter expertise and training in the areas of accounting and auditing actuarially determined employee benefit liabilities;
- k. Assessing the appropriateness and reasonableness of the financial statement disclosures, including amongst other things, sensitivity analysis disclosures.
- l. Bringing to the attention of the audit team any issues or matters encountered in the conduct of the consulting actuary's work;
- m. Producing a written report documenting the findings of the review, which concludes on the work performed and the overall reasonableness of the audit entity's liability for employee benefits considering the methodology, controls, assumptions and source data used. The report should highlight the key aspects of the methodology and give an opinion as to whether or not the methodology is appropriate under CIA standards and Canadian generally accepted accounting principles or other relevant standards, as applicable; and
- n. Assist the auditor in presenting the findings to the audit entity if requested.

More detailed guidance is provided in the CICA - CIA published guide: "Audits of Financial Statements that Contain Amounts that Have Been Determined Using Actuarial Calculation."

The minimum education and designations, and experience qualifications for various categories of Contractor Personnel that may be required and requested by the OAG for this Stream are as follows:

<b>Personnel Categories and Requirements Stream 4</b>	<b>Insurance Premium/Claims Actuarial Valuation</b>	<b>Employee Benefits Actuarial Valuation</b>
<b>Partners/ Principals</b>		
1. Designations and Knowledge	<ul style="list-style-type: none"> <li>• Fellow of the Canadian Institute of Actuaries (FCIA); and</li> <li>• Member in good standing of the Canadian Institute of Actuaries (CIA); and</li> <li>• Knowledge of Canadian GAAP or other relevant standards pertaining to insurance, as applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Fellow of the Canadian Institute of Actuaries (FCIA); and</li> <li>• Member in good standing of the Canadian Institute of Actuaries (CIA); and</li> <li>• Knowledge of Canadian GAAP or other relevant standards pertaining to employee benefits, as applicable.</li> </ul>
2. Minimum Experience	10 years' experience working with significant actuarially determined insurance balances, including 5 years directing major assignments	10 years' experience working with significant actuarially determined employee benefit liabilities, including 5 years directing major assignments
3. Project Descriptions	Provide 2 recent project descriptions	Provide 2 recent project descriptions

<b>Managers</b>		
1. Designations and Knowledge	<ul style="list-style-type: none"> <li>• FCIA; and</li> <li>• Member in good standing of the CIA; and</li> <li>• Knowledge of Canadian GAAP or other relevant standards pertaining to insurance, as applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• FCIA; and</li> <li>• Member in good standing of the CIA; and</li> <li>• Knowledge of Canadian GAAP or other relevant standards pertaining to employee benefits, as applicable.</li> </ul>
2. Minimum Experience	8 years' experience working with significant actuarially determined insurance balances, including 3 years directing major assignments	8 years' experience working with significant actuarially determined employee benefit liabilities, including 3 years directing major assignments
3. Project Descriptions	Provide 2 recent project descriptions	Provide 2 recent project descriptions
<b>Consultants</b>		
1. Designations and Knowledge	<ul style="list-style-type: none"> <li>• Associate of the Canadian Institute of Actuaries (ACIA) or Fellow of the Canadian Institute of Actuaries (FCIA); and</li> <li>• Member in good standing of the CIA; and</li> <li>• Knowledge of Canadian GAAP or other relevant standards pertaining to insurance, as applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Associate of the Canadian Institute of Actuaries (ACIA) or Fellow of the Canadian Institute of Actuaries (FCIA); and</li> <li>• Member in good standing of the CIA; and</li> <li>• Knowledge of Canadian GAAP or other relevant standards pertaining to employee benefits, as applicable.</li> </ul>
2. Minimum Experience	3 years' experience working with significant actuarially determined insurance balances, as applicable	3 years' experience working with significant actuarially determined employee benefits, as applicable
3. Project Descriptions	Provide 2 recent project descriptions	Provide 2 recent project descriptions
<b>Junior Consultants</b>		
1. Education	University degree	University degree
2. Minimum Experience	6 months actuarial experience	6 months actuarial experience
3. Project Descriptions	Provide one (1) recent project description	Provide one (1) recent project description

## Stream 5 – Special Examination Auditing Services

Special examinations of Crown corporations are required under the provisions of the *Financial Administration Act* (the “FAA”) (sections 138 to 142 inclusively). The Office of the Auditor General (“OAG”) is the examiner for the majority of Crown corporations and submits a report on its findings to the board of directors of the corporation examined. The board of directors submits this report to the appropriate Minister and the President of the Treasury Board within 30 days after the day it receives the report and makes it available to the public within 60 days. Following the publication of the report, the OAG includes the report in its performance audit publications that are tabled to Parliament and subsequently released to the public.

Special examinations are caused to determine if the financial and management control and information systems and management practices were, in the period under examination, maintained in a manner that provided reasonable assurance that: (a) the assets of a corporation and each subsidiary are safeguarded and controlled; (b) the financial, human and physical resources of a corporation and each subsidiary are managed economically and efficiently; and (c) the operations of a corporation and each subsidiary are carried out effectively.

The OAG intends to continue the special examination work described below with staggered completion dates in order to meet upcoming statutory reporting dates for submitting completed reports to the corporations’ board of directors.

Additional information can be obtained by consulting the OAG website at [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca) under the headings:

- “What We Do”—“Special Examinations”,
- “Audit Resources” – “Manual” – “Performance Audit and Special Examination Manual – November 2014”, and
- “Audit Resources” – “Functional Audit Guidance and Tools” – “What to Expect – A Crown Corporation’s Guide to a Special Examination”.

The most recent special examination report for each Crown corporation is available on its website.

The document attached to this Statement of Work as Annex “A” contains a list of planned special examinations to provide an approximation of timing, skillsets and assistance that the OAG may require. Since the OAG has not confirmed resource planning details, Annex “A” should not be considered a definitive list of special examinations for which the OAG will require the Contractor to perform work.

The Contractor shall supply and deliver auditing services as required and when requested by the OAG to support audit teams in conducting the work related to special examinations in accordance with the Standards of the Chartered Professional Accountants of Canada as well as OAG audit performance and documentation standards (the “Special Examination Auditing Services”).

The Contractor’s Personnel shall perform the Special Examination Auditing Services and it is anticipated that in the majority of instances, will be integrated as part of an audit team comprised of OAG staff, and work under the instruction of OAG audit managers.

As such, an OAG principal will serve as an engagement leader who will have the overall responsibility for the audit and will be responsible for ensuring that the special examination work of the Contractor’s Personnel is sufficiently and appropriately reviewed to ensure compliance with the OAG audit performance and documentation standards, without limitation to the Contractor’s obligations under any contract resulting from a bid solicitation.

A typical special examination covers or considers systems and practices in the following domains:

- Governance;
- Risk management;
- Strategic planning;
- Performance measurement and reporting;
- Human resource management;
- Information management and technology;
- Environment, and
- Core operations (unique to each Crown corporation).

For greater certainty, the Contractor's Personnel may be required to provide one (1) or both of the following two (2) types of Special Examination Auditing Services, which may be more particularly described in any bid solicitation, and may not be required or requested for each and every special examination listed in Annex "A" of this Statement of Work.

### **1. General Support for Special Examinations**

General Support relates to the above mentioned domains that are common to all organizations (except unique core operations).

As part of General Support, the Contractor shall provide the OAG with audit support on specific lines of inquiries relating to systems and practices chosen for closer examination, including all necessary working papers to support the work performed.

In providing this General Support to the OAG, performance of the procedures and deliverables that may be required and requested include, without limitation:

- a. Developing an audit approach and detailed audit programs for one or more Crown corporation systems or processes relating to specific programs and/or activities;
- b. Examining systems and practices consistent with the respective audit approaches and detailed audit programs, including proposing audit approach modifications based on findings or gained knowledge;
- c. Concluding on the adequacy of the design, implementation and operating effectiveness of the program or activity throughout the period under examination;
- d. Producing a high quality and professionally written report, in a format prescribed by the OAG audit team, documenting the findings of the examination, which concludes on the work performed and the overall reasonableness of the Crown corporation's controls in the examined systems and processes;
- e. Documenting and substantiating findings and conclusions with appropriate audit evidence;
- f. Reviewing work of other audit team members;
- g. Bringing to the attention of the audit team any issues or matters encountered in the conduct of the work; and
- h. Assisting the OAG examiner in presenting the findings to the Crown corporation or OAG management and advisory committee.

## 2. Specialized Expertise for Special Examinations

In contrast to General Support, Specialized Expertise will mostly relate to unique Crown corporation core operations but may also be comprised of in-depth, expert knowledge of technical and other domains common to all Crown corporations, such as but not limited to information management and technology. The list of Crown corporations included in Annex “A” to this Statement of Work may be consulted for assessing some of the core operations potentially subject to examination that may require Specialized Expertise.

The deliverables for Specialized Expertise may differ from those described under General Support in the following respects:

- a. the Contractor’s Personnel would be expected to: (i) identify key systems and practices pertaining to an aspect of core operations or specific area for which assistance is required that need to be in place for a Crown corporation to meet the statutory control objectives; (ii) propose appropriate audit criteria and audit approaches; and (iii) be available for consultation and review during the performance of the audit work by the OAG; and
- b. to the extent possible, the OAG’s personnel would execute the plan, formulate conclusions and draft reports, each of which may be reviewed by Contractor’s Personnel.

The minimum education and designations, and experience qualifications for various categories of Contractor Personnel that may be required and requested by the OAG are as follows:

<b>Personnel Categories and Requirements Stream 5</b>	<b>General Support</b>	<b>Specialized Expertise</b>
<b>Managers</b>		
1. Education and Designations	<ul style="list-style-type: none"> <li>• Accounting designation (Chartered Professional Accountant (CPA) – Chartered Accountant (CA), Certified General Accountant (CGA), Certified Management Accountant (CMA), or</li> <li>• University degree</li> </ul>	<ul style="list-style-type: none"> <li>• Designation (or equivalent, if applicable) in a field related to the required technical expertise, or</li> <li>• University degree reasonably relevant to the related field</li> </ul>
2. Minimum Experience	8 years auditing or consulting, including 3 years managing projects	10 years of relevant experience, including 3 years managing projects

<b>Senior Auditors / Senior Consultants</b>		
1. Education and Designations	<ul style="list-style-type: none"> <li>Accounting designation (CPA - CA, CGA, CMA), or</li> <li>University degree</li> </ul>	<ul style="list-style-type: none"> <li>Designation (or equivalent, if applicable) in a field related to the required technical expertise, or</li> <li>University degree reasonably relevant to the related field</li> </ul>
2. Minimum Experience	5 years auditing or consulting, including 1 year supervisory experience	5 years of relevant auditing or consulting, including 1 year supervisory experience
<b>Auditors / Consultants</b>		
1. Education and Designations	<ul style="list-style-type: none"> <li>Accounting designation (CPA - CA, CGA, CMA) or</li> <li>University degree</li> </ul>	Not applicable.
2. Minimum Experience	2 years auditing or consulting experience	Not applicable.

While detailed qualifications, competencies and other requirements may vary by the role assigned to the Contractor Personnel in each specific special examination, the following are some competencies and skills the OAG would expect of all Contractor's Personnel:

- to possess general knowledge of relevant auditing standards;
- be able to effectively work within a team environment;
- be able to effectively communicate in writing and orally either with the OAG audit team or Crown corporation staff;
- be able to exercise sound judgment and diplomacy especially in client environment;
- to possess thorough analytical and critical thinking skills;
- be organized and able to multitask;
- be available to work at OAG or client premises, which may include periods outside the National Capital Region (NCR) for those Crown corporations which have headquarters or significant operations outside the NCR;
- be able to effectively review work of other team members when required;
- to possess an understanding of the compliance requirements of the OAG's *Code of Ethics, Values and Professional Conduct*, which are consistent with the Government of Canada's *Values and Ethics Code for the Public Sector*.

Ability to effectively operate in both Official Languages is a strong asset.

### **3. Timelines for Special Examinations**

The performance of a special examination consists of planning, examining and reporting phases. It is currently anticipated that the majority of the special examinations from the beginning of the engagement to the issuance of the report to the board of directors of a corporation will take approximately twelve (12) to eighteen (18) months, allowing sufficient time before the statutory deadlines for contingencies.

Typically, Contractor's assistance for General Support will be required during the audit execution phase up to the beginning of the reporting phase, while the Contractor's assistance for Specialized Expertise may be largely required during the planning stage and at the end of the audit execution phase and beginning of the reporting phase.

The statutory deadlines for special examination of certain Crown corporations in Annex "A" to this Statement of Work may assist the Contractor in assessing the timing of potential service requirements based on the description of various timelines above.

The OAG has not confirmed specific planned timelines of the examination with the majority of Crown corporations listed. The OAG will determine such timelines, in its sole and absolute discretion, to be provided at the time of any bid solicitation.

#### **4. Deliverables for Special Examinations**

The expected deliverables of the Contractor's Personnel engaged to carry out audit work generally include, without limitation:

1. Provision of audit files, working papers (preferably in electronic format but also in paper format) that address the pertinent requirements stated in III – Description of Services;
2. Participation in key meetings with audit team members or management of the audited entity;
3. Debriefing(s), as needed, to the OAG audit team and to the Crown corporation's management and board of directors outlining the work done and its results. Should a debriefing summary (such as slide presentation) be used, a copy of the summary must be included in the documentation and must be referenced back to the specific working papers which gave rise to the issues addressed.
4. All deliverables must be in one of the two Official Languages as will be specified by the OAG in any bid solicitation.

#### **5. Key Milestones for Special Examinations**

The key milestones for each engagement will be specified separately in any bid solicitation. Generally, the milestones for the following elements will be provided:

- OAG approval of the audit strategy developed by the Contractor Personnel to the extent that the Contractor Personnel had been involved in the planning stage of the audit;
- OAG approval of audit programs developed by the Contractor Personnel which could take place after the audit strategy for an assigned system or practice had been approved without participation of the Contractor Personnel;
- Completion of description, design, implementation and testing of operating effectiveness of selected systems and practices;
- Compilation of the audit file including observations and proposed conclusions against audit criteria;
- Review of observations and conclusions with the responsible OAG audit management and receive approval;
- Drafting the wording of the audit findings and results, including but not limited to any exceptions noted, for inclusion in the report;
- Substantiating draft reports with appropriate and sufficient evidence; and
- Drafting the management letter points as appropriate.

#### **All Streams – Minimum Education, Designation and Experience Qualifications**

The minimum education and designations, and experience qualifications set out for each Stream above must be met by the Contractor's Personnel in respect of each of the personnel categories for work to be performed under that Stream. For greater certainty, the personnel categories are generally described below subject to any necessary modifications as applicable to the work in each Stream:

**Partner/Principal**

Exercises project sign-off authority on behalf of the Contractor, and oversees and assures the quality of work of Managers responsible for individual projects. Negotiates the final agreement for the work on behalf of the Contractor, and may be an owner of the Contractor if organized as a firm. Supervises the creation, development and implementation of significantly new or modified approaches to solve problems and obtains approval from the OAG for their application. Reports progress of the project on an as needed basis and at key milestones in the life cycle. Meets with senior level OAG representatives and external stakeholders, as required, to outline objectives and approaches, to gather key perspectives, and to present observations and recommendations.

**Manager**

Manages the project team during the planning, implementation and reporting phases of the work. Ensures that resources are made available and that the project is developed and is fully implemented within agreed time, cost and performance parameters of the requirement. Determines budgetary requirements, the composition, roles and responsibilities and deadlines for the project team. Defines and documents the objectives and scope for the project. Identifies problems impeding successful completion of the project and proposes, develops and implements significantly new or modified approaches to solve them. Reports progress of the project to the OAG on an ongoing basis and at scheduled points in the engagement life cycle. Meets with mid-level OAG representatives and external stakeholders, as required, to outline objectives and approaches, to gather key perspectives, and to present observations and recommendations. Prepares plans, charts, tables and diagrams to assist in presenting or displaying observations and recommendations.

**Senior Auditor/Consultant**

Develops and designs approaches and programs for significant segments of projects. Participates in the development of the overall plan and strategy for specific projects. Carries-out, or supervises auditors/consultants and junior auditors/junior consultants in the performance of project tasks according to approved programs or plans. Prepares and presents project observations and recommendations to the Manager for approval. Presents observations and findings from work completed to the OAG and drafts/ revises reports.

**Auditor/Consultant**

Participates in the planning, conduct and reporting phases of projects. Organizes and conducts project tasks according to approved programs or plans. Drafts portions of, or content leading to, drafts and final reports, including audit observations, conclusions and recommendations. Presents oral briefings and debriefings to auditees on assigned segments of projects as required.

**Junior Auditor/Junior Consultant**

Conducts assigned tasks. Normally supports Contractor Personnel where there is a justified requirement for audit tests or other support activities not requiring the level of qualification or expertise associated with the other resource categories.

## Annex A – List of Crown Corporation Applicable to Special Examination Auditing Services

The following list includes, without limitation Crown corporations within the scope of the permanent suppliers list. It is emphasized that the list is included to give the Contractor an opportunity to assess in a general manner whether they have knowledge of these Crown corporations' key operational systems and practices that a special examination may include. It is not intended to be a list of Crown corporations for which Contractor Personnel will necessarily be required or for which a bid solicitation will necessarily be issued. Final requirement is contingent on the OAG's internal resource availability at the time the special examination commences, subject to the issuance of a bid solicitation.

Table 1: Grouping of Crown corporations involving cultural-type of business:

#	Crown corporation	Statutory reporting deadline
1	National Museum of Science and Technology	14-Apr-19
2	National Gallery of Canada	01-Dec-19
3	Telefilm Canada	10-Jun-20
4	National Arts Centre	19-Jul-20
5	Canadian Museum of Immigration at Pier 21	25-Nov-20

Table 2: Grouping of Crown corporations involving financial-type of business:

#	Crown corporation	Statutory reporting deadline
1	Canada Mortgage and Housing Corporation	21-Jan-19
2	Canada Development Investment Corporation	12-Feb-19
3	Business Development Bank of Canada	9-Apr-19
4	Export Development Canada	17-Apr-19
5	Canadian Commercial Corporation	23-Jun-19
6	Canada Deposit Insurance Corporation	04-Mar-20
7	Public Sector Pension Investment Board	12-May-21

Table 3: Grouping of Crown corporations involving other types of business:

#	Crown corporation	Statutory reporting deadline
1	Standards Council of Canada	3-Jun-19
2	Marine Atlantic Inc.	14-Sep-19
3	Canada Post	26-Nov-19
4	Canadian Dairy Commission	16-Mar-21
5	Windsor Detroit Bridge Authority	09-Oct-22

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**SECTION 3 BASIS AND METHOD OF EVALUATION**

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**3.1 Evaluation Process**

Proposals responding to, and compliant with, the requirements, terms and conditions of this qualification solicitation will be evaluated by a team composed of OAG representatives and selected for recommendation of qualification for the permanent suppliers list in accordance with the process described below, which is consistent with the basis and method of evaluation for establishing the permanent suppliers list resulting from RFSO #256 (Audit and Related Services) and RFSO #264 (Special Examination Auditing Services).

For greater certainty, this process will be conducted separately and independently to evaluate proposals concurrently in each of the five (5) Streams on a stand-alone basis without reference to or consideration of the other Streams in respect of which a particular Bidder may have submitted a proposal. Any interested Bidders may submit up to one (1) proposal for any one or all of the five (5) Streams. It is not necessary to submit a proposal for all Streams to be selected for recommendation of qualification for the permanent suppliers list. Therefore, if a Bidder wishes to submit a proposal for services in only one specific Stream, it may do so; however, if a minimum response is required for a particular a Stream, then that minimum response must be provided in the proposal.

**Step 1: Compliance with Mandatory Requirements**

Proposals will be reviewed for confirmation of compliance with any Mandatory Requirements set out in Section 4.2 (Mandatory Requirements).

This review will take the form of validating that the statements and supporting material referenced by the Bidder substantiate a compliant response.

Proposals failing to meet any one (1) or more of the Mandatory Requirements will be deemed non-compliant and given no further consideration.

**Step 2: Scoring of Rated Requirements (100 points)**

Proposals deemed compliant in Step 1 will then be evaluated for technical merit with respect to the Rated Requirements set out in Section 4.3 (Rated Requirements) and shall be assigned scores for each item identifying its relative importance.

Proposals failing to score at least sixty-five percent (65%) of the maximum points available will be deemed non-compliant and given no further consideration.

**Step 3: Selection of Proposal for Permanent Suppliers List**

Proposals deemed compliant in Step 2 will NOT be evaluated for price and no financial evaluation of the proposal is required for recommendation of qualification for the permanent suppliers list.

The OAG intends to select each proposal that is responsive to, and compliant with, the requirements, terms and conditions of this qualification solicitation for recommendation of qualification for the permanent suppliers list, provided that to do so would be consistent with the efficient operation of the procurement system and subject to section 1.7 (Reserved Rights) of this qualification solicitation.

For greater certainty, this qualification solicitation is not intended for the purpose of awarding any standing offers or contracts and is not to be considered as a commitment to issue any bid solicitation or contract for any specific requirement.

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## **SECTION 4 PROPOSAL REQUIREMENTS**

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### **4.1 Organization of Proposal**

Technical Offers should be limited to a maximum of **40** single-sided pages (or **20** double sided pages) for each Stream using 8.5 x 11 inch paper and size 10 font. Any information contained in pages exceeding the stipulated maximum may not be evaluated, in the OAG's sole and absolute discretion. To ensure completeness and to maximize scoring potential, Bidders should prepare their proposal to respond to the mandatory (if any) and rated requirements below.

The OAG does not intend to evaluate corporate literature or website information referenced within the proposal. Prices and financial information should NOT appear in the Technical Offer given no financial evaluation is required to qualify for the permanent suppliers list as described in in section 3 (Basis and Method of Evaluation) of this qualification solicitation.

In addition to the one (1) paper original, Bidders should provide four (4) paper copies and one electronic copy on CD or USB. In the event and to the extent of any discrepancies, inconsistencies, ambiguities or conflicts of or between the wording of the original and any copy, the original shall prevail. To promote consideration of the environment, Bidders should also use paper containing fibre certified as originating from a sustainably-managed forest and containing minimum 30% recycled content, as well as use an environmentally-preferable format including black and white printing instead of colour printing, printing double-sided, and using staples or clips instead of cerlox, duotangs or binders.

Bidders may submit a proposal for any one or all Streams as described in section 3 (Basis and Method of Evaluation) of this qualification solicitation, but the Technical Offer should include separate sections for each Stream in which the proposal is submitted for evaluation, such that each section is limited to the page limitation described above and contains the response to all the requirements for independent evaluation of that Stream. Bidders may not submit more than one Technical Offer for the same Stream.

### **4.2 Mandatory Requirements**

No points will be assigned to Technical Offers for compliance with any Mandatory Requirements. Failure to comply with **ANY** one (1) or more of the Mandatory Requirements will result in a proposal being deemed non-compliant and given no further consideration. Where appropriate, Bidders should briefly describe how they meet each of the Mandatory Requirements (if any). Bidders are also encouraged to complete the following table and submit it as part of their proposal. Bidders should indicate beside each of the Mandatory Requirements (if any) the relevant page number(s) from their proposal where the statements and supporting material for each Mandatory Requirement (if any) is addressed.

For greater certainty, there are no mandatory requirements for Stream 5 (Special Examination Auditing Services).

#	MANDATORY REQUIREMENTS	Compliant		References
		Yes	No	
M-1	<p>Bidders <b>must</b> demonstrate that personnel proposed for the Partner/Principal resource category meet the minimum education and designation qualifications set out for the applicable Stream in section 2 (Statement of Work) of this qualification solicitation.</p> <p>For greater certainty, Bidders should respond with any information required to substantiate a compliant response, including but not limited to license and/or membership number(s). Please note that Bidders may respond with the following number of personnel for the Partner/Principal resource category if one (1) individual does not meet all minimum education and designation qualifications set out for each sub-category in the applicable Stream in section 2 (Statement of Work) of this qualification solicitation:</p> <p>Stream 1 – 1 Partner/Principal  Stream 2 – 1 Partner/Principal  Stream 3 – 3 Partners/Principals  Stream 4 – 2 Partners/Principals  Stream 5 – Not applicable</p> <p>With respect to Stream 3, Bidders must respond with personnel proposed for the Partner/Principal resource category meeting all minimum education and designation qualifications set out for the Financial Instrument/ Derivative Accounting service sub-category in addition to any two (2) of the remaining three (3) service subcategories.</p>			

### 4.3 Rated Requirements

Bidders should demonstrate their understanding of the rated requirements in the qualification solicitation and explain how they will meet those requirements. Bidders should demonstrate their capability and describe their approach in a concise and clear manner for carrying out the work. Bidders should refrain from simply repeating the requirements of this qualification solicitation.

Bidders should address each of the requirements that are subject to point rating criteria and against which the Technical Offer will be evaluated.

Points will be assigned to Technical Offers for responding to these Rated Requirements. Unless otherwise indicated in the table below, the OAG shall apply the following scoring system when rating the Bidder's response to each requirement:

- Excellent = 91 to 100% of available points
- Very Good = 76 to 90% of available points
- Good = 61 to 75% of available points
- Average = 50 to 60% of available points
- Below Average = 26 to 49% of available points

Poor = 0 to 25% of available points

Technical Offers failing to score the minimum percentage of points available as identified in Step 2 (Scoring of Rated Requirements) of Section 3 (Basis and Method of Evaluation) of this qualification solicitation will be deemed non-compliant and given no further consideration. In addition, where indicated in the table below, Technical Offers failing to achieve the minimum technical score for any particular rated requirement will be deemed non-compliant and given no further consideration. For greater certainty, the table below describes the points available for each of the rated requirements and, if applicable, identifies any minimum point requirements.

RATED REQUIREMENTS—BIDDER	Maximum Points (Stream 1, 2, 3 and 4)	Maximum Points (Stream 5 only)	Minimum Required
<p>A. Bidder Experience</p> <p>A.1 A maximum of 10 points will be awarded for the general description of the Bidder’s experience, based on demonstrated breadth and depth of experience. For greater certainty, the Bidder is the supplier, who is the person or entity submitting a proposal responding to the requirements of the qualification solicitation and having legal capacity to contract.</p>	10	10	n/a
<p>A.2 Three (3) project summaries submitted will be evaluated on the basis of their relevance and similarity to the OAG’s requirements for the Stream in which they are submitting a proposal. Points will be awarded based on consideration of the following elements:</p> <ul style="list-style-type: none"> <li>i. overall diversity between the 3 projects;</li> <li>ii. size, scope and complexity of the projects;</li> <li>iii. relevance and similarity of clients to public sector audit entities (including, with respect to Stream 5 only, any specific expertise or capabilities in core operations of similar type businesses to any Crown corporation listed in Annex “A” to Section 2 (Statement of Work); and</li> <li>iv. project approach and methodology.</li> </ul> <p>Each of the 3 projects will be rated based on a maximum of 10 points each (total 30).</p>	30	30	n/a
<p>B. Methodology and Project Management</p> <p>B.1 The Bidders should demonstrate, in a brief description, their knowledge and understanding of the methodology, standards, approach and challenges pertaining to the service delivery Stream for which they are submitting a proposal.</p>	15	10	n/a

<b>RATED REQUIREMENTS—BIDDER</b>	<b>Maximum Points (Stream 1, 2, 3 and 4)</b>	<b>Maximum Points (Stream 5 only)</b>	<b>Minimum Required</b>
B.2 In addition, the Bidder should provide a brief description of the key project management elements and approach they would consider essential for the successful completion of projects within the Stream in which they are submitting a proposal.	15	n/a	n/a
C. Quality Control System Bidders should demonstrate their system of quality control for audits and reviews of financial statements and other assurance engagements established in accordance with the Canadian Standard on Quality Control (CSQC 1) or equivalent quality control system established in accordance with other relevant standards where required.	10	10	n/a
D. Other Bidder Capabilities Bidders should briefly expand upon other capabilities of their firm relevant to providing cost-effective auditing and consulting services to the OAG. Particularly, Bidders should consider the following elements:  <ul style="list-style-type: none"> <li>(i) Bilingual capabilities (5 points – Streams 1, 2, 3 and 4 / 15 points Stream 5);</li> <li>(ii) Regional capabilities (5 points – all Streams);</li> <li>(iii) Personnel replacement and substitution capabilities (5 points – Streams 1, 2, 3 and 4 / 20 points Stream 5); and</li> <li>(iv) Specific expertise or capabilities in related fields and disciplines, such as, but not limited to: (a) forensic auditing, accounting and investigation; and (b) tax, M&amp;A and related advisory services (5 points – Streams 1, 2, 3 and 4 only / Stream 5 n/a).</li> </ul>	20	40	n/a
Total—Bidder Rated Requirements	100	100	n/a

RATED REQUIREMENTS— BIDDER PERSONNEL						Maximum Points	Minimum Required
<p><b>Personnel Qualifications and Experience</b></p> <p>The OAG will evaluate the breadth and depth of experience (including projects), the relevance and suitability of education, designations and other capabilities or qualifications of the personnel proposed by the Bidder in each of the following categories. For greater certainty, the Bidder's personnel are any director, officer, employee, consultant, subcontractor or other person or entity engaged by the Bidder to perform any work.</p> <p>Points will be awarded based on the qualifications, experience, skills and abilities of the Bidder's proposed personnel as relevant to the OAG's requirements. Maximum points will be allocated as follows:</p>						100	n/a
	Stream 1	Stream 2	Stream 3	Stream 4	Stream 5		
Overall diversity	15	20	19	20	20		
Partner/ Principal	20	20	27	25	N/A		
Manager	20	20	27	25	General Support – 5 Specialized Expertise – 10		
Senior Auditor/ Consultant	20	20	27	N/A	General Support – 25 Specialized Expertise – 30		
Auditor/ Consultant	20	20	N/A	25	General Support – 10 Specialized Expertise – N/A		
Junior Auditor/ Consultant	5	N/A	N/A	5	N/A		

<b>RATED REQUIREMENTS— BIDDER PERSONNEL</b>	<b>Maximum Points</b>	<b>Minimum Required</b>
<p>For greater certainty, Bidders should provide a profile with project summaries for each proposed personnel in the form of a customized résumé or curriculum vitae to demonstrate the individual satisfies the minimum education and designations, and experience qualifications for the applicable categories of Contractor Personnel as described in Section 2 (Statement of Work) of this qualification solicitation.</p> <p>In addition, Bidders should respond with the following number of personnel for each applicable resource category if one (1) individual does not meet all minimum education and designation qualifications set out for each applicable service sub-category in the applicable Stream in section 2 (Statement of Work) of this qualification solicitation:</p> <p>Stream 1 – 1 individual  Stream 2 – 1 individual  Stream 3 – 3 individuals  Stream 4 – 2 individuals  Stream 5 – 1 individual</p> <p>With respect to Stream 3, Bidders should respond with personnel for each resource category meeting all minimum education and designation qualifications set out for the Financial Instrument/ Derivative Accounting service sub-category in respect of accounting policy, procedure, financial statement presentation and disclosures in addition to any two (2) of the remaining three (3) service subcategories.</p>		
<b>Subtotal— Bidder Personnel Rated Requirements</b>	<b>100</b>	<b>n/a</b>

<b>RATED REQUIREMENTS – TECHNICAL OFFER</b>	<b>Maximum Points</b>	<b>Minimum Required</b>
<b>Subtotal—Technical Offer (Bidder + Bidder Personnel Rated Requirements)</b>	<b>200</b>	<b>130</b>
<b>Total—Prorated Technical Merit Score</b>	<b>100</b>	<b>65</b>

See Section 5 (Certification of Availability and Status of Personnel) of Appendix A (Declarations and Certifications) of this solicitation.

**4.4 Financial Requirements**

No financial evaluation is required to qualify for the permanent suppliers list as described in section 3 (Basis and Method of Evaluation) of this qualification solicitation.

**Note to Bidders:** For information purposes only, Bidders may specify in their proposal the all-inclusive fixed ceiling hourly rates quoted for any or all of the personnel/resource categories for any Stream. Please note Bidders are not required to respond with such information in order to participate in the qualification solicitation. In addition, any financial or pricing information in the proposal, if provided, will not be used for evaluation purposes and should be separately sealed in an envelope labelled "Financial and Pricing Information". Any such separately sealed envelope may be sealed together with the other sealed envelope for the Technical Offer within a third (3<sup>rd</sup>) envelope containing any forms or additional information requested by this qualification solicitation. For greater certainty, financial and pricing information, if provided, should NOT appear in the Technical Offer.

#### **4.5 OAG's Rights During Evaluation**

Without limitation to section 1.7 (Reserved Rights) of this qualification solicitation, the OAG may, in its sole and absolute discretion, during the evaluation and selection process described in this qualification solicitation, and prior to any recommendation of qualification for the permanent suppliers list:

- i. seek clarification of and/or verify any information provided with respect to any proposal, including but not limited to interviewing any individuals named in the proposal, which may be conducted in person or by telephone;
- ii. contact any or all references supplied by a Bidder to verify and validate any information or data submitted with the proposal;
- iii. hire any consultant or third party to assist with the evaluation of proposals;
- iv. request information with respect to any Bidder's legal and financial status.

Bidders will have at least three (3) calendar days, or such other period as is specified in writing by the Procurement and Contracting Officer, to respond to any request for information or clarification described above. Failure to respond before expiry of the specified deadline may result in the proposal being deemed non-compliant and given no further consideration, in the OAG's sole and absolute discretion.

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**SECTION 5 CONTRACT TERMS AND CONDITIONS**

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Without limitation to Section 1.12 (Resulting Bid Solicitation and Contracts) of this qualification solicitation, the following form of agreement, including but not limited to the terms and conditions therein, shall apply to and form part of any bid solicitation and Contract(s) resulting from this qualification solicitation:

ARTICLES OF AGREEMENT

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This Agreement, effective as of the date of last signature below, is entered into between:

Her Majesty the Queen in Right of Canada,  
as represented by the Auditor General of Canada  
240 Sparks Street, Ottawa, Ontario K1A 0G6  
(hereinafter the “**OAG**”)

- And –

<<Note to Bidders: legal name of Contractor  
and physical address to be inserted by OAG >>  
(hereinafter the “**Contractor**”)

FOR: <<Note to Bidders: brief description of work to be inserted by OAG from Statement of Work >>

WHEREAS the OAG issued <<Note to Bidders: title and # of bid solicitation to be inserted by OAG >> (the “**Bid Solicitation**”);

AND WHEREAS the Contractor was awarded this Contract after evaluation of the proposal it submitted in response to the Bid Solicitation (the “**Proposal**”);

NOW THEREFORE, in consideration of the mutual covenants, agreements and premises contained herein, the sufficiency of which is hereby acknowledged, the OAG and the Contractor agree to the following articles:

**A1 Contract**

1.1 Contract Documents. The following documents, together with any schedules, annexes, appendices and exhibits attached thereto, and together with any documents incorporated by reference therein, all as amended by agreement of the Parties from time to time, collectively form the “**Contract**” between the OAG and the Contractor:

- 1.1.1 these Articles of Agreement;
- 1.1.2 the document attached hereto as Schedule “A” and entitled “General Conditions” (hereinafter the “**General Conditions**”);
- 1.1.3 the document attached hereto as Schedule “B” and entitled “Statement of Work” (hereinafter the “**Statement of Work**”);
- 1.1.4 the Bid Solicitation;
- 1.1.5 the Proposal.

- 1.2 **Priority of Documents.** In the event and to the extent of any discrepancies, inconsistencies, ambiguities or conflicts of or between the wording of any documents that appear on the list above, the wording of the document that first appears on the list has priority and shall prevail over the wording of any document that subsequently appears on the list.
- 1.3 **Interpretation.** The words in the Contract shall be interpreted according to their ordinary and usual meaning, without regard to the party who drafted the Contract. For greater certainty, the words “includes” or “including” shall be interpreted as meaning “includes without limitation” or “including without limitation”, as the case may be. Headings and titles contained in the Contract are inserted only as a matter of convenience or for reference and shall not in any manner be construed so as to define, limit or describe the scope or extent of any provisions of the Contract.

**A2. Performance.** The Contractor shall perform the Work, with due care and diligence, including the services and/or goods to be supplied, furnished and delivered as described in the Statement of Work, and do everything else that is necessary to discharge its obligations under the Contract.

**A3. Payment.** The OAG shall pay the Contractor, for Work performed in accordance with the Contract, on the following basis, plus any Applicable Taxes:

3.1 **Basis of Payment.** The Contractor shall be paid firm, all-inclusive rates as specified in the following table, subject to any limitation of expenditure specified in this Contract:

<<Note to Bidders: pricing table from Bid Solicitation to be inserted by OAG >>

3.1.1 **Definition of Day and Proration.** A “day” is defined as 7.5 hours exclusive of meal breaks. Payment will be for days actually worked with no provision for annual leave, statutory holidays, sick leave or other absences. Time worked which is more or less than a day will be prorated to reflect actual time worked in accordance the following formula: (Hours worked x applicable rate) / 7.5 hours. All proposed personnel must be available to work outside normal office hours during the Term. No overtime charges will be authorized under the Contract. All time worked will be paid to the Contractor in accordance with this section. For greater certainty, no payment shall be made for any time travelling to or from any location to perform Work under the Contract.

3.1.2 **Travel Expenses.** The Contractor shall be reimbursed for pre-authorized travel expenses that may be reasonably and properly incurred in the performance of the Work at cost, without any allowance for profit and administrative overhead, in accordance with *National Joint Council Travel Directive and Guidance for Government Business Travel by a Person(s) on Contract with the OAG* in amounts not to exceed in the aggregate any limitation of expenditure specified in the Contract. Any travel expenses must have the prior written authorization of the OAG, and be submitted in the form of an itemized statement supported by original receipts, to be eligible for reimbursement.

3.1.3 **Rates All-Inclusive.** The rates payable in respect of the work are fixed for the Term, inclusive of all costs, expenses and profit for which the Contractor may be eligible hereunder, except as may otherwise be expressly provided to the contrary in this Contract, and shall represent the entire consideration for performing all obligations of the Contractor under the Contract.

- 3.2 **Method of Payment.** The OAG will pay the Contractor for Work performed during the period covered by the invoice, no more frequently than monthly, subject to the General Conditions, if: (i) an accurate and complete invoice and any other documents required by the Contract have been submitted in accordance with the invoicing instructions provided in the Contract; (ii) all such documents have been verified by the OAG; and (iii) the Work performed has been accepted by the OAG. Payment by the OAG shall be made within thirty (30) calendar days of the date specified in the General Conditions.
- 3.3. **Limitation of Expenditure.** The OAG's total liability to the Contractor for payment under the Contract shall not exceed \$, <<Note to Bidders: total dollar value to be inserted by OAG>> (the "**Contract Price**"), plus any eligible expenses and Applicable Taxes (the "**Total Extended Price**"). No increase in the total liability of the OAG or in the price of the Work resulting from any changes, modifications, or interpretations of the Work, will be authorized by the OAG or paid to the Contractor unless such changes, modifications, or interpretations have been approved, in writing, in advance, by the OAG before their incorporation into the Work. The Contractor shall not perform any Work or otherwise provide any good or service that would result in the foregoing limitation of expenditure being exceeded before obtaining the prior written approval of the OAG. The Contractor must notify the OAG in writing on the adequacy of the foregoing limitation of expenditure: (i) when it is 75 percent committed; or (ii) 4 months before Contract expiry date; or (iii) as soon as the Contractor considers that the foregoing limitation of expenditure is inadequate for completion of the Work, whichever comes first. For administrative purposes, the Contractor shall advise the OAG on a weekly basis of the hours worked under the Contract.
- A4. Time Verification and Audit of Accounts.** Time charged and the accuracy of the Contractor's time recording system, as well as all payments, reimbursements and any other amounts claimed under the Contract, are subject to verification and audit by the OAG as specified in the General Conditions, at any time, both before and after payment is made.
- A5. Invoicing Instructions.** The Contractor must submit invoices as specified in the General Conditions. Invoices cannot be submitted until all work identified in the invoice is completed. If applicable to the basis of payment specified in the Contract, each invoice must be supported by a copy of time sheets or other documentation produced by the Contractor's time recording system to support the time claimed, together with a copy of any required monthly progress report. Invoices must be distributed as follows for certification and payment, unless specified otherwise by the OAG in writing: the original must be forwarded to the following address to the attention of the OAG Finance Department for certification and payment – 240 Sparks Street, Ottawa, ON K1A 0G6 or, alternatively, emailed to [finance@oag-bvg.gc.ca](mailto:finance@oag-bvg.gc.ca).
- A6. Term.** The Contract shall be effective as of the date of signature by both parties and remains in force until expiration on <<Note to Bidders: OAG to insert date >> (the "**Term**"), subject to the terms and conditions herein. For greater certainty, the Contractor shall perform the Work up to and including the end of the last day of the Term and any terms or conditions which, by their nature are intended to survive expiration or termination of the Contract, shall survive expiration or termination of the Contract for any reason. The Contractor shall not commence any Work prior to this Contract coming into effect. The Contractor hereby grants to the OAG the irrevocable option to extend the Term by up to two (2) additional one (1) year periods under the same terms and conditions. The Contractor agrees that, during any extended Term, it will be paid on the basis of the applicable provisions herein, subject to any increase in price, which shall not exceed the lesser of: (i) two percent (2%); or (ii) the maximum change in the Consumer Price Index All-Items for Canada as published by Statistics Canada for the twelve (12) month period preceding the expiration date of the then applicable year. The OAG may exercise this option, for each additional extension period, in its sole and absolute discretion, at any time, by sending a written notice to the Contractor at least 30 calendar days before

the then applicable expiration date of the Contract. Although each additional extension period takes effect on Contractor's receipt of the OAG's written notice, the Contract may be administratively amended by the Parties to reflect any option exercised.

**A7. Security Requirement.** Contractor shall ensure all Contractor Personnel requiring access to the OAG's classified or protected information, networks and/or office space, obtain and maintain a valid Government of Canada Security Clearance at a minimum level of "Reliability Status" prior to accessing such information, networks and/or office space. Contractor shall provide the OAG with the name(s) of all such individuals together with evidence of the required security clearance(s). Such individuals will be expected to understand, sign and adhere to the OAG Security Policy.

**A8. Contract Representatives.** The following representatives are responsible for management and performance of the Contract and receiving any notice, request, direction or other communication required to be given or made by either Party:

OAG Contracting Representative: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

OAG Project Representative: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

Contractor's Representative: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

8.1 Any matters concerning the Work may be discussed between these representatives and, in particular, the OAG Project Representative is responsible for managing the relationship with Contractor on behalf of the OAG, including instructions and interpretations in respect of the technical aspects of the Work to be performed; however, none of these representatives have the authority to authorize changes to the scope of Work or otherwise to modify the Contract unless evidenced in writing through an amendment to the Contract issued by the OAG and signed by the parties.

**A9. Certifications Compliance.** The continuous compliance with the declarations and certifications provided by the Contractor in its proposal and the ongoing cooperation in providing associated information are conditions precedent of the Contract. Certifications are subject to verification by the OAG during the Term of the Contract. If the Contractor does not comply with any declaration or certification, fails to provide the associated information, or if it is determined that any declaration or certification made by the Contractor in its proposal is untrue, whether made knowingly or unknowingly, the OAG has the right, pursuant to the default provision specified herein, to terminate the Contract.

This agreement has been duly executed and delivered on the date indicated below on behalf of each of the Auditor General of Canada and the Contractor by their respective duly authorized signatories.

**FOR THE AUDITOR GENERAL**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name and Position)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name and Position)

**FOR THE CONTRACTOR**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name and Position)

Schedule "A"  
General Conditions

1. **Interpretation.** In the Contract, the capitalized words set forth below shall have the following meanings. Where not defined below, capitalized words shall have the meaning ascribed thereto elsewhere in this Contract, unless the context otherwise requires:

"Administrative Agreement" means a negotiated agreement with the OAG in relation to the Integrity Provisions set out herein;

"Affiliate" means a person, including, organizations, bodies corporate, societies, companies, firms, partnerships, associations of persons, parent companies or subsidiaries, whether partly or wholly-owned, as well as individuals, directors, officers and key employees if: (i) one controls or has the power to control the other, or (ii) a third party has the power to control both;

"Applicable Taxes" means the Goods and Services Tax (GST), the Harmonized Sales Tax (HST), and any provincial tax, by law, payable by the OAG;

"Contract" means, collectively, the documents specified in the Contract Form, together with these General Conditions, any schedules, annexes, appendices and exhibits attached thereto, and together with any documents incorporated by reference therein, all as amended by agreement of the Parties from time to time;

"Contracting Representative" means the person designated in the Contract, or by written notice to the Contractor, to act as the OAG's representative to administer the Contract;

"Contractor" means the person or entity named in the Contract to supply goods, services or both to the OAG";

"Contractor Personnel" means any director, officer, employee, consultant, subcontractor or other person or entity engaged by the Contractor to perform any work in respect of this Contract;

"Contract Price" means the amount stated in the Contract to be payable to the Contractor for the Work, exclusive of Applicable Taxes;

"Excusable Delay" means delay in the performance by the Contractor of any obligation under the Contract that is caused by an event that meets the conditions specified herein;

"Ineligibility" means a person not eligible to contract with Her Majesty;

"Office of the Auditor General", "OAG", "Auditor General of Canada", "Crown", or "Her Majesty" means Her Majesty the Queen in Right of Canada as represented by the Auditor General of Canada through the Office of the Auditor General and any other person with delegated authority to act on behalf of the Auditor General of Canada;

"OAG Property" means anything supplied to the Contractor by or on behalf of the OAG for the purposes of performing the Contract and anything acquired by the Contractor in any manner in connection with the Work, the cost of which is paid by the OAG under the Contract;

"Party" means the OAG, the Contractor, or any other party that is signatory to the Contract and "Parties" means all of them;

"Suspension" means a determination of temporary Ineligibility in relation to the Integrity Provisions set out herein;

"Total Extended Price", "Revised Extended Price", "Price Increase (Decrease)" in the Articles of Agreement of the Contract or in any Contract Amendment means an amount used by the OAG for internal administrative purposes only that comprises the Contract Price, or the revised Contract Price, or the amount that would increase or decrease the Contract Price and the Applicable Taxes as evaluated by the Contracting Representative, and does not constitute tax advice on the part of the OAG;

"Work" means all the activities, services, goods, equipment, matters and things required to be done, delivered, supplied or performed by the Contractor under the Contract.

2. **Deemed Terms and Conditions.** Pursuant to the *Financial Administration Act*, R.S.C., 1985, c. F-11 (as amended) (the "FAA"), as well as the *Government Contract Regulations*, SOR/87-402 (as amended), the clauses, terms and conditions identified therein are hereby incorporated by reference and form part of the Contract as though expressly set out in the Contract. Without limitation to the foregoing, any payment under the Contract is subject to there being an appropriation for the particular service for the fiscal year in which any commitment hereunder would come in course of payment.
3. **Powers of the Auditor General.** All rights, remedies, powers and discretions granted or acquired by the OAG under the Contract or by law, including the *Auditor General Act*, R.S.C., 1985, c. A-17 (as amended), are cumulative, not exclusive.
4. **Status of the Contractor.** The Contractor is an independent contractor engaged by the OAG to perform the Work. Nothing in the Contract is intended to create an employment relationship, a partnership, a joint venture or an agency with the OAG. The Contractor must not represent itself as an agent or representative of the OAG to anyone. Neither the Contractor nor any Contractor Personnel is engaged as an employee, servant or agent of the OAG. The Contractor is responsible for all deductions, remittances and any applications, reports, payments or contributions required by law in relation to its employees, including federal, provincial and foreign tax, pension, employment insurance, workers' compensation, employment standards, wage rates, and any other similar matter, and the Contractor is entitled to no benefits or payments other than those specified in the Contract.
5. **Conduct of the Work.**
  - a. The Contractor represents and warrants that the Contractor and all Contractor Personnel:
    - i. are competent to perform the Work;
    - ii. have everything necessary to perform the Work, including the resources, facilities, labour, technology, equipment, and materials; and
    - iii. have the necessary qualifications, including knowledge, skill, know-how, experience and third party authorizations, and the ability to use them diligently and effectively, to perform the Work.
  - b. The Contractor and all Contractor Personnel must:
    - i. perform the Work diligently, effectively and efficiently;
    - ii. except for OAG Property, supply everything necessary to perform the Work;
    - iii. use, as a minimum, quality assurance procedures, inspections and controls generally used and recognized by the Contractor's industry to ensure the degree of quality required by the Contract;

- iv. select and employ a sufficient number of qualified people as Contractor Personnel;
    - v. perform the Work in accordance with standards of quality acceptable to the OAG and in full conformity with all applicable laws and regulations, the OAG's specifications and all the requirements of the Contract; and
    - vi. provide diligent, effective and efficient supervision to ensure that the quality of workmanship meets the requirements of the Contract.
  - c. The Work must not be performed by any person who, in the opinion of the OAG, in its sole and absolute discretion, is incompetent, unsuitable or has conducted himself/herself improperly.
  - d. In the event of breach of warranty, in addition to other rights and remedies available at law and in this Contract, the Contractor shall, at the OAG's election and the Contractor's expense:
    - i. reperform the Work to the OAG's satisfaction (using alternate Contractor Personnel if the OAG so requests); or
    - ii. issue a credit in the amount of any Work that is or was deficient as a result of the breach.
- 6. **Subcontracts.** The Contractor may subcontract the supply of goods or services that are customarily subcontracted by the Contractor. In any other instance, the Contractor must obtain the prior consent in writing of the Contracting Representative. The Contracting Representative may require the Contractor to provide such particulars of the proposed subcontract as the OAG considers necessary, in its sole and absolute discretion. Subcontracting does not relieve the Contractor from any of its obligations under the Contract or impose any liability upon the OAG to a subcontractor. In any subcontract, the Contractor agrees to bind the subcontractor by the same conditions by which the Contractor is bound under the Contract, unless the Contracting Representative requires or agrees otherwise, with the exception of any employment equity or other requirements which may only apply to the Contractor.
- 7. **Time of the Essence.** It is essential that the Work be performed within or at the time stated in the Contract.
- 8. **Excusable Delay.**
  - a. A delay in the performance of the Work or any obligation by the Contractor under the Contract that is caused by an event that:
    - i. is beyond the reasonable control of the Contractor;
    - ii. could not reasonably have been foreseen;
    - iii. could not reasonably have been prevented by means reasonably available to the Contractor; and
    - iv. occurred without the fault or neglect of the Contractor,will be considered an "Excusable Delay" if the Contractor:
    - 1. notifies the Contracting Representative, in writing, of the occurrence of the delay or of the likelihood of the delay as soon as the Contractor becomes aware of it; and
    - 2. within 15 calendar days of the foregoing notification, also notifies the Contracting Representative, in writing, of all the circumstances relating to the delay and includes, for approval by the OAG, a clear work around plan explaining in detail the steps that the Contractor proposes to take in order to minimize the impact of the event causing the delay.
  - b. Any delivery date or other date that is directly affected by an Excusable Delay will be postponed for a reasonable time that will not exceed the duration of the Excusable Delay. However, if an Excusable Delay has continued for 30 calendar days or more, the Contracting Representative may, by giving notice in writing to the Contractor, terminate the Contract. In such a case, the Parties agree that neither will make any claim against the other for damages, costs, expected profits or any other loss arising out of the termination

or the event that contributed to the Excusable Delay. The Contractor agrees to repay immediately to the OAG the portion of any advance payment that is unliquidated at the date of the termination. Unless the OAG has caused the Excusable Delay by failing to meet an obligation under the Contract, the OAG will not be responsible for any costs incurred by the Contractor or any of its subcontractors or agents as a result of an Excusable Delay.

- 9. Inspection and Acceptance of the Work.** All Work is subject to inspection and acceptance by the OAG. Inspection and acceptance of the Work by the OAG does not relieve the Contractor of its responsibility for defects or other failures to meet the requirements or obligations under the Contract. The OAG will have the right to reject any work that is not in accordance with the requirements of the Contract and require its correction, replacement, reperformance or refund at the Contractor's cost and expense.
- 10. Invoice Submission.** Invoices must be submitted in the Contractor's legal name. The Contractor must submit invoices for each delivery or shipment and invoices must only apply to the Contract. Each invoice must indicate whether it covers partial or final delivery.
- a. Invoices must show:
    - i. the date, the name and address of the OAG, item or reference numbers, deliverable/description of the Work, contract/purchase order number, Client Reference Number (CRN), Procurement Business Number (PBN);
    - ii. details of expenditures (such as, but not limited to, showing separately, hours worked in Canada or abroad, periods and cost of any authorized travel expenses, item, quantity, unit price, fixed time labour rates and level of effort, fixed firm price and payment milestone, as applicable) in accordance with the basis of payment specified in the Contract, exclusive of Applicable Taxes;
    - iii. deduction for set-off, holdback or deduction, if applicable;
    - iv. the extension of the totals, if applicable; and
    - v. if applicable, the method of shipment together with date, case numbers and part or reference numbers, shipment charges and any other additional charges. Applicable Taxes must be specified on all invoices as a separate item along with corresponding registration numbers from the tax authorities. All items that are zero-rated, exempt or to which Applicable Taxes do not apply, must be identified as such on all invoices.
  - b. By submitting an invoice, the Contractor certifies that the invoice is consistent with the Work delivered and is in accordance with the Contract.
- 11. Taxes.** The OAG is required to pay Applicable Taxes. Applicable Taxes will be paid by the OAG as provided in the Invoice Submission section. It is the sole responsibility of the Contractor to charge Applicable Taxes at the correct rate in accordance with applicable legislation. The Contractor agrees to remit to appropriate tax authorities any amounts of Applicable Taxes paid or due. The Contractor is not entitled to use exemptions from any tax, such as provincial sales taxes, unless otherwise specified by law. The Contractor must pay applicable provincial sales tax, ancillary taxes, and any commodity tax, on taxable goods or services used or consumed in the performance of the Contract (in accordance with applicable legislation), including for material incorporated into real property. In those cases where Applicable Taxes, customs duties, and excise taxes are included in the Contract Price, the Contract Price will be adjusted to reflect any increase, or decrease, of Applicable Taxes, customs duties, and excise taxes that will have occurred between bid submission and contract award. However, there will be no adjustment for any change to increase the Contract Price if public notice of the change was given before bid submission date in sufficient detail to have permitted the Contractor to calculate the effect of the change. Pursuant to the *Income Tax Act*, R.S.C., 1985, c.1 (5<sup>th</sup> Supp.) (as amended) and the *Income Tax Regulations*, C.R.C., c. 945 (as amended) the OAG must withhold 15 percent of the amount to be paid to the Contractor in respect of services provided in Canada if the Contractor is not a resident of Canada, unless the Contractor obtains a valid waiver from the Canada Revenue Agency. The amount

withheld will be held on account for the Contractor in respect to any tax liability which may be owed.

**12. Payment Period and Interest on Overdue Accounts.** The OAG's standard payment period is 30 calendar days. The payment period is measured from the date an invoice in a form and content acceptable to the OAG is received in accordance with the Contract or the date the Work is delivered in a condition acceptable to the OAG as required in the Contract, whichever is later. A payment is considered overdue on the 31<sup>st</sup> calendar day following that date and interest will be paid automatically in accordance with this section.

- a. If the invoice and its substantiating documentation are not received in a form and content acceptable to the OAG in accordance with the Contract or the Work is not delivered in a condition acceptable to the OAG as required by the Contract, the OAG will notify the Contractor within 15 calendar days of receipt. The 30-day payment period begins upon receipt of the revised invoice or the replacement or corrected Work. Failure by the OAG to notify the Contractor within 15 calendar days will only result in the payment being considered overdue on the 31<sup>st</sup> calendar day following receipt of the invoice or work for the sole purpose of calculating interest on overdue accounts, but shall not relieve the Contractor from any of its obligations under the Contract, impose any liability upon the OAG or otherwise obligate the OAG to make payment until the invoice and its substantiating documentation are received in a form and content acceptable to the OAG in accordance with the Contract or the Work is delivered in a condition acceptable to the OAG as required in the Contract, whichever is later.
- b. For the purpose of this section:
  - i. "Average Rate" means the simple arithmetic mean of the Bank Rates in effect at 4:00 p.m. Eastern Time each calendar day during the calendar month immediately before the calendar month in which payment is made;
  - ii. "Bank Rate" means the rate of interest established from time to time by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to members of the Canadian Payments Association;
  - iii. "date of payment" means the date of the negotiable instrument drawn by the OAG to pay any amount under the Contract;
  - iv. an amount becomes "overdue" when it is unpaid on the first calendar day following the calendar day on which it is due and payable as specified above and according to the Contract.
- c. The OAG will pay to the Contractor simple interest at the Average Rate plus 3 percent per year on any amount that is overdue, from the date that amount becomes overdue until the calendar day before the date of payment, inclusive. The Contractor is not required to provide notice to the OAG for interest to be payable. The OAG will pay interest in accordance with this section only if the OAG is responsible for the delay in paying the Contractor. The OAG will not pay interest on overdue advance payments.

**13. Audit.** The amount claimed under the Contract is subject to audit by the OAG, at any time, both before and after payment is made. The Contractor must keep proper accounts and records of performing the Work, the cost of performing the Work, the actual time spent each calendar day by all Contractor Personnel performing the Work (if the Contract specifies payment on the basis of time spent by the Contractor or Contractor's Personnel performing the Work) and all expenditures or commitments made by the Contractor, including any invoices, receipts, timesheets and third party contracts, which shall at all reasonable times be available to audit and inspection by the OAG, who may make copies and take extracts therefrom. The Contractor shall afford facilities for audit and inspection and shall furnish the OAG with such assistance and information as the OAG may require from time to time with respect to such accounts and records. The Contractor shall keep all such accounts and records, and preserve them in a secure location that is available for audit and inspection, for no less than six years after it receives the final payment under the Contract or until the settlement of any outstanding or unresolved claims or disputes, whichever is later, unless the OAG consents in writing in advance to earlier disposal.

- a. The OAG shall have the right, upon providing at least five (5) calendar days prior written notice, to enter upon the Contractor's facilities and locations, with any third party representatives the OAG may require, to review, inspect, test or to conduct audits, and take extracts or make copies of any document, with respect to the Contractor's operations and business to ensure compliance with the Contract, including the retention of accounts and records, performance of the Work, privacy, confidentiality and security. Where problems or deficiencies are identified during or following any review, inspection, test or audit, the OAG may, in its sole and absolute discretion, issue by notice to the Contractor, a corrective action request. Upon receipt of such notice, the Contractor shall:
  - i. promptly reply in writing to the corrective action request;
  - ii. take immediate corrective action acceptable to the OAG to prevent the recurrence of all deficiencies or problems identified in the corrective action request; and
  - iii. rectify all deficiencies and problems identified in the corrective action request within the time period specified in the notice, or when not specified, within thirty (30) calendar days from the date of the Contractor's receipt of the notice.
- b. The issuance or non-issuance of a corrective action request shall not prejudice any of the OAG's rights to termination under the Contract.
- c. Where an audit or inspection by the OAG, or where the OAG's own accounts or records disclose an overpayment, the OAG shall have the right to set-off, hold-back or deduct the amount of such overpayment against any Contractor invoices issued pursuant to this Contract or any other agreement, and the Contractor shall be liable to repay such overpayment immediately on demand to the extent the OAG does not recover the overpayment by right of set-off, hold-back or deduct.

**14. Compliance with Applicable Laws.** The Contractor must inform itself and Contractor Personnel of, and comply and ensure compliance with, all laws applicable to the performance of the Contract, including Canadian federal, provincial and municipal law. The Contractor must provide evidence, at its own cost, of compliance with such laws to the OAG at such times as the Contracting Representative may reasonably request. The Contractor must obtain and maintain, without charge, reimbursement or payment by the OAG in any way, all permits, licenses, regulatory approvals and certificates required to perform the Work. If requested by the Contracting Representative, the Contractor must provide a copy of any required permit, license, regulatory approvals or certificate to the OAG. Without limiting the foregoing, the Contractor must not transfer or copy by any electronic or other means any software owned by or licensed to the OAG and such software is only to be used for the purposes of work carried out on behalf of the OAG and for no other purpose.

**15. Workplace Health and Safety.** The Contractor acknowledges the responsibility of the OAG to ensure, for its employees, a safe and healthy work environment, free of harassment. Copies of the *OAG Policy on the Prevention of Workplace Violence*, the *OAG Respectful Workplace Policy*, and the *OAG Policy on Workplace Investigations*, which are also applicable to the Contractor, are available from the Contracting Representative upon the Contractor's prior written request. The Contractor must not, either as an individual, or as a corporate or unincorporated entity, or through Contractor Personnel, harass, abuse, threaten, abuse its authority towards, discriminate against or intimidate, or endanger the health and safety of, any employee, contractor or other individual employed by, or under contract with, the OAG. The Contractor will be advised in writing of any complaint and will have the right to respond in writing. Upon receipt of the Contractor's response, the OAG will, at its sole and absolute discretion, determine if the complaint is founded and decide on any action to be taken, including terminating the Contract for default.

**16. Confidentiality.** The Contractor must keep confidential and not disclose or release for any purpose to any third party all information provided to the Contractor by or on behalf of the OAG in connection with the Work and all information conceived, developed or produced by the Contractor as part of the Work including all documents, reports, papers or other records and any information, advice, assistance, guidance, recommendations and matters. As such, information must be treated as

confidential, used solely for the purpose of the Contract and remains the sole and exclusive property of the OAG. Subject to the *Access to Information Act*, R.S.C., 1985, c. A-1 (as amended) (the “**Access to Information Act**”), and to any right of the OAG under the Contract to release or disclose, OAG agrees not to release or disclose any information delivered to the OAG under the Contract that is proprietary to the Contractor or a subcontractor, except to other departments within the federal public administration as defined by the FAA and to the extent that the Contract expressly provides for release or disclosure to third parties.

- a. The obligations of the Parties set out in this section do not apply to any information where the same information:
    - i. is publicly available from a source other than the other Party;
    - ii. is or becomes lawfully known to a Party from a source other than the other Party, except any source that is known to be under an obligation to the other Party not to disclose the information;
    - iii. is developed by a Party independently and without use of the information of the other Party;
    - iv. is authorized in writing in advance by the other Party to be released or disclosed by a Party to a third party solely for the purpose of the contract; or
    - v. is required to by law to be disclosed.
  - b. In the event the Contractor is required to disclose confidential or proprietary information by law, the Contractor shall promptly notify the OAG so that the OAG has a reasonable opportunity to prevent disclosure.
- 17. Privacy.** Any personal information within the meaning of the *Privacy Act*, R.S.C., 1985, c. P-21 (as amended) (the “**Privacy Act**”), which is disclosed by the OAG, or is managed, accessed, collected, used, retained, created or disposed of in order to fulfill the requirements of this Contract, shall be deemed to be under the OAG’s control, shall be made available to the OAG upon request and shall otherwise be treated in accordance with the *Privacy Act*. All such personal information is OAG property, and Contractor shall have no right in or to such personal information. Contractor shall segregate all such personal information (whether in electronic format or in hard copy) from its other records. Contractor agrees that all such personal information shall at all times be stored on segregated, stand-alone information systems in Canada that are not connected to networks or other technology systems that would permit access to such information from a jurisdiction other than Canada, except to the extent expressly permitted by this Contract. Contractor agrees to maintain reasonably detailed access logs that would indicate each occurrence of access to any such personal information, other than by the OAG. The Contractor agrees to comply with the *Privacy Act* and any other Canadian privacy laws, to the extent that they are applicable to the Contractor.
- 18. Access to Information.** Records created by the Contractor, and under the control of the OAG, are subject to the *Access to Information Act*. The Contractor acknowledges the responsibilities of the OAG under the *Access to Information Act* and must, to the extent possible, assist the OAG in discharging these responsibilities. Furthermore, the Contractor acknowledges that section 67.1 of the *Access to Information Act* provides that any person, who destroys, alters, falsifies or conceals a record, or directs anyone to do so, with the intent of obstructing the right of access that is provided by the *Access to Information Act* is guilty of an offence and is liable to imprisonment or a fine, or both. The Contractor consents, in the case of a contract and any amendment with a value in excess of \$10,000 (including taxes), to the public disclosure of basic information, other than information described in any of paragraphs 20(1) (a) to (d) of the *Access to Information Act*, relating to the contract and, where the contract and any amendment with a value in excess of \$10,000 (including taxes) involves a former public servant in receipt of a pension under the *Public Service Superannuation Act*, , R.S.C., 1985, c. P-36 (as amended), the Contractor consents, and acknowledges that the Contractor’s Personnel consents, to the public disclosure of basic information in accordance with the *Guidelines on the Proactive Disclosure of Contracts*.

- 19. Copyright.** Anything that is created or developed by the Contractor as part of the Work under the Contract in which copyright subsists belongs to the OAG. The Contractor must incorporate the copyright symbol and either of the following notices, as appropriate, in any such Work: ©Her Majesty the Queen in Right of Canada, as represented by the Auditor General of Canada, [year] or © Sa Majesté la Reine du chef du Canada, représentée par le vérificateur général du Canada, [year].
- a. At the request of the Contracting Representative, the Contractor must provide to the OAG, at the completion of the Work or at such other time as the Contracting Representative may require, a written permanent waiver of moral rights as defined in the *Copyright Act*, R.S.C., 1985, c. C-42 (as amended), in a form and content acceptable to the Contracting Representative, from every author that contributed to the Work. If the Contractor is an author, the Contractor permanently waives the Contractor's moral rights.
  - b. The Contractor agrees that the OAG may translate into the other official language of Canada any documentation delivered to the OAG by the Contractor that does not belong to the OAG. The Contractor acknowledges that the OAG owns the translation and that it is under no obligation to provide any translation to the Contractor. The OAG agrees that any translation must include any copyright notice and any proprietary right notice that was part of the original. The OAG acknowledges that the Contractor is not responsible for any technical errors or other problems that may arise as a result of the translation.
- 20. OAG Property.** The Contractor must take reasonable and proper care of all OAG Property while it is in its possession or subject to its control. The Contractor is responsible for any loss or damage resulting from its failure to do so other than loss or damage caused by ordinary wear and tear.
- 21. Amendment.** To be effective and valid, any amendment to the Contract must be prepared in writing by the Contracting Representative and signed by the authorized representative(s) of the OAG and Contractor. No increase in the total liability of the OAG or in the price of the Work resulting from any change, modification or interpretation of the Contract will be authorized by the OAG, or paid to the Contractor, unless such change, modification or interpretation of the Contract is approved, in writing, in advance, by the OAG and before incorporation into the Work.
- 22. Assignment.** The Contractor must not assign the Contract, or any benefit or burden hereunder, in whole or in part, without obtaining the prior written consent of the OAG, which may be withheld in the OAG's sole and absolute discretion. Any assignment made without that consent is void and will have no effect. The assignment will be effective upon execution of an assignment agreement signed by the Parties and the assignee. No assignment of the Contract shall relieve the Contractor from any obligation under the Contract or impose any liability upon the OAG. Notwithstanding the foregoing, this Contract shall enure to the benefit of, and be binding upon, the parties hereto and their lawful heirs, executors, administrators, and successors.
- 23. Change of Control.** The Contractor shall notify the OAG prior to any merger, amalgamation, transfer of a controlling interest in the Contractor or a sale of all or substantially all of the Contractor's assets and prior to entering into any subcontract with equivalent effect to, or in connection with, any such transaction. Contractor shall obtain the OAG's prior written consent to any such transaction or subcontract, which may be withheld in the OAG's sole and absolute discretion. In the event the Contractor fails to comply with this notice and consent requirement, the OAG shall be entitled to terminate the Contract for default. Contractor's notice and request for consent shall include full particulars regarding the intended transaction or subcontract, including:
- a. an updated organizational chart, or similar description of the Contractor, both before and after the completion of any such transaction or subcontract;
  - b. a description of the nature of any such transaction or subcontract, including any amalgamations, wind-ups, asset transfers or other elements;
  - c. a list of the directors of the Contractor;
  - d. a list of the shareholders of the Contractor; and

- e. any other information relevant, in the OAG's sole and absolute discretion, to any such transactions or subcontracts, including any information about the Contractor, successor entity, entity acquiring a controlling interest in the Contractor, entity purchasing all or substantially all of Contractor's assets, or subcontractor.

**24. Suspension of the Work.** The Contracting Representative may at any time, by written notice, order the Contractor to suspend or stop the Work or part of the Work under the Contract. The Contractor must immediately comply with any such order in a way that minimizes the cost of doing so.

**25. Default by the Contractor.**

- a. If the Contractor fails to perform any of its obligations under the Contract, or fails to make progress so as to endanger the performance of the Contract, the Contracting Representative may, by giving written notice to the Contractor, terminate for default the Contract or part of the Contract. The termination will take effect immediately or at the expiration of any cure period specified in the notice, if the Contractor has not cured the default to the satisfaction of the Contracting Representative within that cure period.
- b. If the Contractor becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or if a receiver is appointed under a debt instrument or a receiving order is made against the Contractor, or if an order is made or a resolution passed for the winding-up of the Contractor, or if the Contractor makes a false, untrue or misleading certification, declaration or representation under the Contract, whether made knowingly or unknowingly, or provides false, untrue or misleading information under or in relation to the Contract, whether made knowingly or unknowingly, the Contracting Representative may, to the extent permitted by the laws of Canada, by giving written notice to the Contractor, immediately terminate for default the Contract or part of the Contract.
- c. If the OAG gives notice of termination under this section, the Contractor will have no claim for payment. The Contractor will be liable to the OAG for all losses and damages suffered by the OAG because of the default or occurrence upon which the notice was based, including any procurement costs and any increase in the cost incurred by the OAG in procuring the Work from another source. The Contractor agrees to repay immediately to the OAG the portion of any advance payment that is unliquidated at the date of the termination. Nothing in this section shall limit any other remedies that may be available to the OAG against the Contractor.

**26. Termination for Convenience.** At any time before the completion of the Work, the Contracting Representative may, by giving notice in writing to the Contractor, terminate for convenience the Contract or part of the Contract. Once such a notice of termination for convenience is given, the Contractor must comply with the requirements of the termination notice. If the Contract is terminated in part only, the Contractor must proceed to complete any part of the Work that is not affected by the termination notice. The termination will take effect immediately or, as the case may be, at the time specified in the termination notice.

- a. If a termination notice is given pursuant to this section, the Contractor will be entitled to be paid for Work that has been completed and reimbursed for costs that have been reasonably and demonstrably incurred to perform the Contract, to the extent that the Contractor has not already been paid or reimbursed by the OAG, including:
  - i. on the basis of payment specified in the Contract, payment for all completed Work that is inspected and accepted in accordance with the Contract, whether completed before, or after the termination in accordance with the instructions contained in the termination notice;
  - ii. reimbursement of any direct costs incurred by the Contractor for work terminated by the termination notice before completion, excluding the cost of severance payments or damages to employees whose services are no longer required,

- except wages that the Contractor is obligated by statute to pay.
- b. The OAG may reduce the payment in respect of any part of the Work, if upon inspection, it does not meet the requirements of the Contract. The total of the amounts, to which the Contractor is entitled to be paid and/or reimbursed under this section, together with any amounts paid, due or becoming due to the Contractor, must not exceed the Contract Price. The OAG may withhold payment and/or reimbursement of any amounts under this section until such time as the Contractor has substantiated its entitlement to such amounts to the OAG's satisfaction. Upon payment of such amounts, the Contractor shall be deemed to have fully and finally released the OAG from any and all liability in connection with the Contract. The Contractor will have no claim for damages, compensation, loss of profit, or economic loss arising out of any termination notice given by the OAG under this section except to the extent that this section expressly provides. The Contractor agrees to repay immediately to the OAG the portion of any advance payment that is unliquidated at the date of the termination.

## **27. Replacement of Personnel.**

- a. Replacement by OAG. The OAG may, at any time, order the removal and replacement of any Contractor Personnel (whether or not specifically identified in the Contract) on reasonable grounds, or in the event that any of the Contractor's Personnel are unable to perform and complete the Work to the satisfaction of the OAG, and the Contractor shall immediately remove the individual from performance of the Work and provide, payable at the same or lesser rate or price, subject to the prior written approval by the OAG, any replacement Contractor Personnel with the requisite ability, expertise and attainment to complete the Work.
- b. Replacement by Contractor. If specific individuals are identified in the Contract to perform the Work, the Contractor must provide the services of those individuals unless the Contractor is unable to do so for reasons beyond its control. If the Contractor is unable to provide the services of any specific individual identified in the Contract, at any time, it must provide a replacement with similar qualifications and experience payable at the same or lesser rate or price. The replacement must meet the criteria used in the selection of the Contractor and be of equal or greater ability, expertise and attainment, subject to prior written acceptance by the OAG. The Contractor must, as soon as possible, give written notice to the Contracting Representative of the reason for replacing the individual and provide: (a) the name, qualifications and experience of the proposed replacement; and (b) proof that the proposed replacement has the required security clearance, if applicable.
  - i. Rejection by OAG. Any such replacement may be rejected if, in the OAG's sole absolute discretion, the replacement fails to meet the criteria used in the selection of the Contractor or is not of equal or greater ability, expertise and attainment and the Contractor must not, in any event, allow performance of the Work by unapproved or unauthorized replacement persons prior to receipt of written acceptance of the OAG. The Contracting Representative may order that any replacement stop performing the Work. In such a case, the Contractor must immediately comply with the order and secure a further replacement in accordance with this section. The fact that the Contracting Representative does not order that a replacement stop performing the Work does not relieve the Contractor from its responsibility to meet the requirements of the Contract.

## **28. Liability and Infringement.**

- a. The Contractor is liable for any damage caused by the Contractor, Contractor's Personnel or Contractor's agents to the OAG or to any third party. The OAG is liable for any damage caused by the OAG, its employees or agents to the Contractor or to any third party. The Parties agree that no limitation of liability or indemnity provision applies to the Contract

unless it is specifically incorporated in full text in the Articles of Agreement. Damage includes injury to persons (including injury resulting in death) or loss of or damage to property (including real property) caused as a result of or during the performance of the Contract.

- b. The Contractor represents and warrants that, to the best of its knowledge, neither it nor the OAG will infringe any third party's intellectual property rights in performing or using the Work, and that the OAG will have no obligation to pay royalties of any kind to anyone in connection with the Work.
- c. If anyone makes a claim against the OAG or the Contractor concerning intellectual property infringement or royalties related to the Work, that Party agrees to notify the other Party in writing immediately. If anyone brings a claim against the OAG, the OAG must have the regulation and conduct of all litigation for or against the OAG, but the OAG may request that the Contractor defend the OAG against the claim. In either case, the Contractor agrees to participate fully in the defence and any settlement negotiations and to pay all costs, damages and legal costs incurred or payable as a result of the claim, including the amount of any settlement. Both Parties agree not to settle any claim unless the other Party first approves the settlement in writing.
- d. The Contractor has no obligation regarding claims that were only made because:
  - i. the OAG modified the Work or part of the Work without the Contractor's consent or used the Work or part of the Work without following a requirement of the Contract;
  - ii. the OAG used the Work or part of the Work with a product that the Contractor did not supply under the Contract (unless that use is described in the Contract or the manufacturer's specifications);
  - iii. the Contractor used equipment, drawings, specifications or other information supplied to the Contractor by the OAG (or by someone authorized by the OAG); or
  - iv. the Contractor used a specific item of equipment or software that it obtained because of specific instructions from the Contracting Representative; however, this exception only applies if the Contractor has included the following language in its own contract with the supplier of that equipment or software: "[Supplier name] acknowledges that the purchased items will be used by the OAG. If a third party claims that equipment or software supplied under this contract infringes any intellectual property right, [supplier name], if requested to do so by either [Contractor name] or the OAG, will defend both [Contractor name] and the OAG against that claim at its own expense and will pay all costs, damages and legal fees payable as a result of that infringement." Obtaining this protection from the supplier is the Contractor's responsibility and, if the Contractor does not do so, it will be responsible to the OAG for the claim.
- e. If anyone claims that, as a result of the Work, the Contractor or the OAG is infringing its intellectual property rights, the Contractor must immediately do one of the following:
  - i. take whatever steps are necessary to allow the OAG to continue to use the allegedly infringing part of the Work;
  - ii. modify or replace the Work to avoid intellectual property infringement, while ensuring that the Work continues to meet all the requirements of the Contract; or
  - iii. take back the Work and refund any part of the Contract Price that the OAG has already paid, and if the Contractor determines that none of these alternatives can reasonably be achieved, or if the Contractor fails to take any of these steps within a reasonable amount of time, the OAG may choose either to require the Contractor

to do (iii), or to take whatever steps are necessary to acquire the rights to use the allegedly infringing part(s) of the Work itself, in which case the Contractor must reimburse the OAG for all the costs it incurs to do so.

- 29. Transportation Costs and Carriers' Liability.** If transportation costs are payable by the OAG under the Contract and the Contractor makes the transportation arrangements, shipments must be made by the most direct and economical means consistent with normal shipping practice. The costs must be shown as a separate item on the invoice. The OAG shall make no payment for insurance or valuation charges for transportation beyond the point at which ownership of goods passes to the OAG (determined by the FOB point or Incoterms). Where increased carrier liability is available without charge, the Contractor must obtain the increased liability for shipment.
- 30. Right of Set-off.** Without restricting any right of set-off given by law, the OAG may withhold or deduct from, or reduce or set-off against, any amount payable to the Contractor under the Contract, or under any other current contract, any amount as the OAG reasonably determines to be necessary to cover any non-performance, indemnity or liability of the Contractor in relation to this Contract.
- 31. Conflict of Interest and Values and Ethics Codes.** Contractor acknowledges having read the *Code of Values, Ethics & Professional Conduct for the Office of the Auditor General of Canada*, (the "**OAG Code**") which the Contractor agrees shall govern the conduct of the Contractor and the Contractor's Personnel in respect of the Contract. The Contractor agrees all Contractor Personnel shall conduct themselves in compliance with the principles of the *OAG Code*. The Contractor acknowledges that third parties who are subject to the provisions of the *Conflict of Interest Act*, S.C. 2006, c.9, s.2 (as amended), the *Conflict of Interest Code for Members of the House of Commons*, the *Values and Ethics Code for the Public Sector* or all other equivalent codes of values and ethics applicable within specific government organizations cannot derive any direct benefit resulting from the Contract, including any member of the House of Commons or Senate.
- 32. No Bribe, Benefit or Conflict.**
- a. The Contractor declares that no bribe, gift, benefit, or other inducement has been or will be paid, given, promised or offered directly or indirectly to any official or employee of the OAG or to a member of the family of such a person, with a view to influencing the entry into the Contract or the administration of the Contract.
  - b. For the purpose of this section, conflict of interest means any matter, circumstance, interest, or activity affecting the Contractor or Contractor Personnel, which impairs, may impair or may appear to impair the ability of the Contractor or Contractor Personnel to perform the Work and any obligations under the Contract diligently, independently and otherwise in compliance with the principles of the *OAG Code*. The Contractor and Contractor Personnel must not influence, seek to influence or otherwise take part in a decision of the OAG knowing that the decision might further its private interest. The Contractor warrants that, to the best of its knowledge after making diligent inquiry, no real, perceived or potential conflict of interest exists or is likely to arise in the performance of the Contract. In the event the Contractor becomes aware of any matter that causes or is likely to cause a real, perceived or potential conflict of interest in relation to the Contractor's performance under the Contract, the Contractor must immediately disclose such matter to the Contracting Representative in writing without delay. If the OAG is of the opinion that a real, perceived or potential conflict of interest exists as a result of the Contractor's disclosure or as a result of any other information brought to the Contracting Representative's attention, the Contracting Representative may require the Contractor to take steps to resolve or otherwise deal with such conflict of interest or, at the OAG's sole and absolute discretion, the Contract may be terminated for default.

**33. International Sanctions.** The Contractor must not supply to the OAG any goods or services that originate, either directly or indirectly, from persons or countries which are subject to economic sanctions imposed by Canada. The Contractor must comply with changes to any legislation or regulations applicable to economic sanctions imposed during the period of the Contract. The Contractor must immediately advise the OAG if it is unable to perform the Work as a result of the imposition of economic sanctions against a country or person or the addition of a good or service to the list of sanctioned goods or services. If the Parties cannot agree on a work around plan, the Contract will be terminated for the convenience of the OAG in accordance with the provisions of the Contract.

**34. Integrity Provisions – Contract.** The Contractor shall comply with the Integrity Provisions set out in this section.

a. Statement

- i. The Contractor represents and warrants that it responded to the OAG’s solicitation in an honest, fair and comprehensive manner, accurately reflecting the Contractor’s capacity to satisfy the requirements of this Contract, and undertakes to fulfill all obligations of the Contract, including the terms set out in these Integrity Provisions.
- ii. The Contractor confirms that it understands that convictions of certain offences, a false declaration in its bid, a false declaration under the Contract or failing to maintain up-to-date information requested may lead to a termination for default. If the Contractor or any of its Affiliates fail to remain free and clear of any convictions and any conditional or absolute discharges specified in these Integrity Provisions during the contract period, the OAG may, following a notice period, terminate for default. The Contractor understands that a termination for default will not restrict the OAG’s right to exercise any other remedies that may be available against the Contractor and agrees to immediately return any advance payments.

b. List of Names

- i. The Contractor must immediately inform the OAG in writing of any changes affecting the list of names of directors and owners during the contract period.

c. Information Verification

- i. The Contractor certifies that it is aware, and its Affiliates are aware, that the OAG may verify at any time during the contract period, the information provided by the Contractor, including the information relating to the acts or convictions and any conditional or absolute discharges specified in these Integrity Provisions. The OAG may request additional information, validations from a qualified third party, consent forms and other evidentiary elements proving identity and eligibility to contract with the OAG.

d. Lobbying Act

- i. The Contractor certifies that neither it nor its Affiliates have directly or indirectly, paid or agreed to pay, and will not, directly or indirectly, pay a contingency fee to any individual for the solicitation, negotiation or obtaining of the Contract if the payment of the fee would require the individual to file a return under section 5 of the *Lobbying Act*, R.S.C., 1985, c. 44 (4<sup>th</sup> Supp.) (as amended) (the “**Lobbying Act**”).

e. Canadian Offences Resulting in Legal Incapacity

i. The Contractor certifies that:

1. neither it nor any of its Affiliates have been convicted of or have pleaded guilty to an offence under any of the following provisions, which result in legal incapacity under section 750(3) of the *Criminal Code*, R.S.C., 1985, c. C-46 (as amended) (the “**Criminal Code**”), and for which they have not been pardoned or received a record of discharge under the Canadian Pardons subsection:

- a. paragraph 80(1)(d) (*False entry, certificate or return*), subsection

80(2) (*Fraud against Her Majesty*) or section 154.01 (*Fraud against Her Majesty*) of the *FAA*, or section 121 (*Frauds on the government and Contractor subscribing to election fund*), section 124 (*Selling or Purchasing Office*), section 380 (*Fraud*) for fraud committed against Her Majesty or section 418 (*Selling defective stores to Her Majesty*) of the *Criminal Code*, and

2. it has not been convicted of or pleaded guilty to the offences resulting in legal incapacity and it has not directed, influenced, authorized, assented to, acquiesced in or participated in the commission or omission of the acts or offences that would render any Affiliate ineligible to be awarded a contract due to legal incapacity.

f. Canadian Offences

i. The Contractor certifies that:

1. it and its Affiliates have not, in the last three years, from the date of contract award, been convicted of or pleaded guilty to an offence under any of the following provisions for which it would be ineligible for contract award under these Integrity Provisions and for which they have not been pardoned or received a record of discharge under the Canadian Pardons subsection:
  - a. section 119 (*Bribery of judicial officers, etc*), section 120 (*Bribery of officers*), section 346 (*Extortion*), sections 366 to 368 (*Forgery and other offences resembling forgery*), section 382 (*Fraudulent manipulation of stock exchange transactions*), section 382.1 (*Prohibited insider trading*), section 397 (*Falsification of books and documents*), section 422 (*Criminal breach of contract*), section 426 (*Secret commissions*), section 462.31 (*Laundering proceeds of crime*) or sections 467.11 to 467.13 (*Participation in activities of criminal organization*) of the *Criminal Code*, or
  - b. section 45 (*Conspiracies, agreements or arrangements between competitors*), section 46 (*Foreign directives*), section 47 (*Bid rigging*), section 49 (*Agreements or arrangements of federal financial institutions*), section 52 (*False or misleading representation*), section 53 (*Deceptive notice of winning a prize*) of the *Competition Act*, R.S.C., 1985, c. C-34 (as amended), or
  - c. section 239 (*False or deceptive statements*) of the *Income Tax Act*, R.S.C., 1985, c.1 (5<sup>th</sup> Supp.) (as amended), or
  - d. section 327 (*False or deceptive statements*) of the *Excise Tax Act*, R.S.C., 1985, c. E-15 (as amended), or
  - e. section 3 (*Bribing a foreign public official*), section 4 (*Accounting*), or section 5 (*Offence committed outside Canada*) of the *Corruption of Foreign Public Officials Act*, S.C. 1998, c. 34 (as amended), or
  - f. section 5 (*Trafficking in substance*), section 6 (*Importing and exporting*), or section 7 (*Production of substance*) of the *Controlled Drugs and Substance Act*, S.C. 1996, c. 19 (as amended), or
2. the Contractor has not been convicted of or pleaded guilty to the offences resulting in ineligibility for contract award and certifies that it has not directed, influenced, authorized, assented to, acquiesced in or participated in the commission or omission of the acts or offences that would make any Affiliate ineligible for contract award.

g. Foreign Offences

i. The Contractor certifies that:

1. it and its Affiliates have not, in the last three years, from the date of contract

award, been convicted of or pleaded guilty to an offence in a jurisdiction other than Canada of having committed an act or omission that would, in OAG's opinion, be similar to an offence referenced in the Canadian Offences Resulting in Legal Incapacity and the Canadian Offences subsections and for which it would be ineligible for contract award under these Integrity Provisions and for which they have not been pardoned or received a record of discharge under the Foreign Pardons subsection, provided:

- a. the court before which the Contractor or the Affiliate of the Contractor appeared acted within the court's jurisdiction;
  - b. the Contractor or the Affiliate of the Contractor appeared during the court's proceedings or submitted to the court's jurisdiction;
  - c. the court's decision was not obtained by fraud; and
  - d. the Contractor or the Affiliate of the Contractor was entitled to present to the court every defence that the Contractor or the Affiliate of the Contractor would have been entitled to present had the proceeding been tried in Canada; or
2. the Contractor has not been convicted of or pleaded guilty to the offences similar to those resulting in legal incapacity and has certified that it has not directed, influenced, authorized, assented to, acquiesced in or participated in the commission or omission of the acts or offences similar to those that would render any Affiliate ineligible to be awarded a contract.
- h. Ineligibility to Contract with OAG
- i. The Contractor confirms that it understands that if after contract award they have been convicted of certain offences, as described in the Canadian Offences Resulting in Legal Incapacity, the Canadian Offences and the Foreign Offences subsections, they will be ineligible to contract with the OAG. If, after contract award, a Contractor becomes ineligible for contract award, the OAG may, following a notice period, declare the Contractor to be ineligible and, to the extent that a contract has been awarded:
    1. terminate the contract for default; or
    2. require the Contractor to enter into an Administrative Agreement with the OAG on such terms and conditions as are necessary to safeguard the integrity of the procurement process.
  - ii. The Contractor confirms that it understands that where its Affiliate has been convicted of certain offences, as described in the Canadian Offences Resulting in Legal Incapacity, the Canadian Offences and the Foreign Offences subsections, the Affiliate is ineligible to contract with the OAG. If, after contract award, an Affiliate of a Contractor becomes ineligible to contract with the OAG, the OAG may, following a notice period, declare the Contractor to be ineligible and, to the extent that a contract has been concluded:
    1. terminate the contract for default if, in the opinion of the OAG there is evidence that the Contractor directed, influenced, authorized, assented to, acquiesced in or participated in the commission or omission of certain acts or offences that make that Affiliate ineligible; or
    2. require the Contractor to enter into an Administrative Agreement with the OAG on such terms and conditions as are necessary to safeguard the integrity of the procurement process.
  - iii. The Contractor confirms that it understands that where it has been declared to be ineligible to contract under the Government of Canada *Ineligibility and Suspension Policy*, it may also be ineligible to contract with the OAG under these Integrity Provisions for the duration of the period that may be determined by the OAG. Where the Contractor has been declared to be ineligible under the Government of Canada *Ineligibility and Suspension Policy* after contract award, the OAG may,

following a notice period:

1. terminate the contract for default; or
  2. require the Contractor to enter into an Administrative Agreement with the OAG on such terms and conditions as are necessary to safeguard the integrity of the procurement process.
- iv. The Contractor confirms that it understands that where it or its Affiliates have been held responsible for breaches under the *Lobbying Act* subsection, it is ineligible to contract with the OAG under these Integrity Provisions for the duration of the period that may be determined by the OAG. Where the Contractor has been declared to be ineligible under the Government of Canada *Ineligibility and Suspension Policy* after contract award, the OAG may, following a notice period:
1. terminate the contract for default; or
  2. require the Contractor to enter into an Administrative Agreement with the OAG on such terms and conditions as are necessary to safeguard the integrity of the procurement process.
- i. Declaration of Offences Committed
- i. The Contractor understands that it has a continuing obligation to immediately declare all convictions to OAG under the Canadian Offences Resulting in Legal Incapacity, the Canadian Offences and the Foreign Offences subsections.
- j. Period of Ineligibility
- i. The following rules determine the period for which a Contractor or its Affiliate that has been convicted of certain offences is, ineligible to contract with the OAG:
    1. for all offences referenced under the Canadian Offences Resulting in Legal Incapacity subsection for which a Contractor or its Affiliate has pleaded guilty to or has been convicted of, the period of Ineligibility to be awarded a contract is indefinite, subject to the Canadian Pardons subsection;
    2. subject to an Administrative Agreement, for all offences referenced under the Canadian Offences and Foreign Offences subsections for which a Contractor or its Affiliate has pleaded guilty to or been convicted of, as the case may be, in the last three years, the period of Ineligibility to contract with the OAG is ten years from the date of determination by the OAG, subject to the Canadian Pardons and Foreign Pardons subsections;
    3. subject to an Administrative Agreement, for all breaches under the *Lobbying Act* subsection for which a Contractor or its Affiliate has been found responsible, in the last three years, the period of Ineligibility to contract with the OAG is ten years from the date of determination by the OAG.
- k. Canadian Pardons
- i. A determination of Ineligibility to contract with the OAG will not be made or maintained by the OAG under these Integrity Provisions, in respect of an offence or act that gave rise or that could give rise to a determination of Ineligibility, if the Contractor or its Affiliate has:
    1. been granted an absolute discharge in respect of the offence, or has been granted a conditional discharge in respect of the offence and those conditions have been satisfied;
    2. been granted a pardon under Her Majesty's royal prerogative of mercy;
    3. been granted a pardon under section 748 of the *Criminal Code*;
    4. received a record of suspension ordered under the *Criminal Records Act*, R.S.C., 1985, c. C-47 (as amended) ; or
    5. been granted a pardon under the *Criminal Records Act*, as that Act read immediately before the day section 165 of the *Safe Streets and Communities Act*, S.C. 2012, c.1 (as amended) comes into force.

- I. Foreign Pardons
  - i. A determination of Ineligibility to contract with the OAG will not be made or maintained, as the case may be, the OAG in respect of matters referenced in the Foreign Offences subsection and with respect to an offence or act that gave rise or will give rise to a determination of Ineligibility, if the Contractor or its Affiliate, has at any time, benefited from foreign measures that are similar to Canadian pardons at the sole and absolute discretion of the OAG, including conditional discharges, absolute discharges, records of suspension, or restoration of legal capacities by the Governor in Council.
- m. Period of Ineligibility for Breaching Administrative Agreements
  - i. The Contractor confirms that it understands that where it has concluded an Administrative Agreement and that it has breached any of its terms and conditions, the OAG will lengthen the period of Ineligibility for a period to be determined by the OAG.
- n. Obligations on Subcontractors
  - i. The Contractor confirms that it understands that to the extent that it relies on a subcontractor(s) to perform the Contract, the Contractor will not enter into a subcontract with a company that has been convicted of or pleaded guilty or an Affiliate of the company has been convicted of or pleaded guilty, as the case may be, to any of the offences referenced in the Canadian Offences Resulting in Legal Incapacity, the Canadian Offences and the Foreign Offences subsections for which no pardon or equivalent has been received under the Canadian Pardons and Foreign Pardons subsections, without the prior written approval of the Contracting Representative. Where the Contractor has entered into a contract with an ineligible subcontractor and for which no prior written approval has been granted by the Contracting Representative, the OAG will declare the Contractor to be ineligible to contract with the OAG for a period of five years.

**35. No Exclusivity.** The OAG is procuring the Work on a non-exclusive basis and nothing herein shall prevent the OAG from contracting with any third party as an alternate or supplemental supplier for the performance of the same or similar work at any time during the Term, in which event the Contractor shall fully cooperate with, and not interfere with, such third party. For greater certainty, nothing herein grants the Contractor an exclusive right to perform the Work contemplated under the Contract.

**36. No Publicity.** The Contractor shall have no right to publish, in whole or in part, any Work performed for the OAG pursuant to or in connection with this Contract without the OAG's prior written consent. The Contractor and Contractor Personnel are not authorized under any circumstance, to speak to or address the media or otherwise publicize the Work for any reason in connection with the performance of their contractual duties, except to disclose the fact it is doing business with the OAG or to confirm any information that (a) is publicly available from a source other than the Contractor; (b) is authorized in writing in advance by the OAG to be publically released or disclosed; or (c) is required to by law to be disclosed.

**37. Notices and Approvals.** Any notice, request, direction, approval, authorization or other communication required to be given or made by either Party under the Contract shall be in writing and is effective if delivered in person, sent by registered mail, or sent by electronic mail to the Party for whom it is intended at the respective address set out in the Contract (as may be revised from time to time by written notice). Any such notice, request, direction, approval, authorization or other communication shall be deemed to have been given or made: (i) if delivered in person, on the day of delivery; (ii) if sent by registered mail, when postal receipt is acknowledged by the other Party; and (iii) if sent by email, the first business day following transmission unless the sending party receives acknowledgement of delivery failure.

- 38. Severability.** Any provision of this Contract that is declared invalid, illegal or unenforceable by a court of competent jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability and shall be severed and removed from the balance of this Contract, all without affecting the remaining provisions of this Contract or affecting the validity, legality or enforceability of such provision in any other jurisdiction.
- 39. Waiver.** The failure of any Party to enforce at any time any of the provisions conditions or requirements of this Contract, or to require at any time performance by the other Party of any of the provisions, conditions or requirements hereof, shall not be construed to be a present or future waiver of such provisions, conditions or requirements, nor in any way affect the validity of this Contract or any part thereof, or the right of the other Party thereafter to enforce each and every such provision, condition or requirement, as applicable. Any waiver by a Party hereto shall apply only as to its rights hereunder and not to the rights of the other Party unless that Party consents in writing thereto. The waiver by any Party of any provision, condition or requirement of this Contract shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement and shall not be valid, binding or effective unless made in writing and signed by a duly authorized representative of such Party. Any waiver by the OAG of a breach of any provision, condition or requirement of this Contract shall not be treated or interpreted as a waiver of any subsequent breach and shall not prevent the OAG from enforcing that provision, condition or requirement in the event of any such breach.
- 40. Further Assurances.** Contractor shall, whenever requested by the OAG, at Contractor's sole cost and expense, execute and deliver any and all applications, assignments and other instruments necessary to confirm or register the OAG's rights hereunder
- 41. Counterparts and Email Copies.** This Contract may be executed in one (1) or more counterparts, all of which taken together shall constitute the same instrument of agreement and any counterparts may be delivered by electronic mail transmission, and such method of execution and delivery shall constitute good and valid execution and delivery of an original, legal, valid, binding and enforceable agreement. Notwithstanding the foregoing, each party shall endeavor to deliver to the other party with an original signed version of this Contract as soon as possible following execution.
- 42. Dispute Resolution.** The Parties understand that the Office of the Procurement Ombudsman will, in accordance with the *Department of Public Works and Government Services Act*, (a) participate in an alternative dispute resolution process respecting the interpretation or application of the terms and conditions of the Contract upon request and consent of the Parties; and (b) review certain complaints subject to applicable statutory and regulatory requirements. The Office of the Procurement Ombudsman may be contacted by telephone at 1-866-734-5169 or by e-mail at [opo-boa@opo-boa.gc.ca](mailto:opo-boa@opo-boa.gc.ca).
- 43. Entire Agreement and Governing Law.** The Contract constitutes the entire and only agreement between the Parties with respect to the subject matter herein and supersedes all previous negotiations, communications and other agreements, whether written or oral, unless they are incorporated by reference in the Contract. There are no terms, covenants, representations, statements or conditions binding on the Parties other than those contained in the Contract. In the event and to the extent of any discrepancies or conflicts between these General Conditions and anything in the other documents making up this Contract, the General Conditions shall prevail unless expressly superseded. This Contract shall be governed by and construed in accordance with, and the relations between the parties determined by, the applicable provincial and federal laws in force in Ontario, Canada.

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**APPENDIX A                      DECLARATIONS AND CERTIFICATIONS**

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Without limitation to section 1.4 (Required Forms) of this qualification solicitation, Bidders are to include **ALL** of the following declarations and certifications with their proposal as a condition precedent to consideration under any bid solicitation resulting from this qualification solicitation.

Any certification and declaration provided by Bidders is subject to verification by the OAG at all times and the Contracting Representative may request any additional information in this regard.

In the event any certification or declaration made by the Bidder is found to be untrue, whether made knowingly or unknowingly, or in the event any Bidder fails to comply or cooperate with any request for additional information, the OAG may, in its sole and absolute discretion, deem the Bidder's proposal to be non-compliant and give it no further consideration during the evaluation period of this qualification solicitation or terminate any resulting contract for default in the event of any subsequent bid solicitation.

**1. Bidder's Legal and Business Information**

For information purposes only, Bidders are to complete the table below.

Legal Name of Bidder	
Business Association (for example, corporation, joint venture, partnership, sole proprietorship)	
Business Address (including street address, city, country and postal code or their equivalents)	
Telephone and Facsimile Numbers	
Point of Contact for Bidder (name, title, telephone and email address)	
Bidder's Procurement Business Number (PBN) and/or GST/HST/QST registration number.  Bidders are solely responsible for obtaining their own advice regarding tax laws in various Canadian jurisdictions.	
Place of Residence for Canadian Tax Purposes (If not specified, the Bidder is deemed to represent and warrant it is a resident of Canada)	
Aboriginal Supplier Self-Identifier and/or Comprehensive Land Claims Agreement (CLCA) Unique Identifier, if applicable	

**2. Security Clearance**

Before the award of any contract resulting from any bid solicitation relating to this qualification solicitation, all Bidder personnel requiring access to OAG's classified or protected information, networks and/or office space **MUST** possess a valid Government of Canada Security Clearance at a minimum level of "Reliability

Status". Bidders are to provide the name(s) of all such individuals together with evidence of the required security clearance(s). Such personnel will be expected to understand, sign and adhere to the OAG Security Policy.

Bidder personnel are reminded to obtain the required security clearance promptly. Any delay in the award of a contract, if any, to permit time for receipt of the required security clearance will be at the sole and absolute discretion of the OAG Contracting Representative.

### 3. Employment Equity

The Federal Contractors Program for Employment Equity (FCP-EE) requires that certain organizations bidding for federal government contracts make a formal commitment to implement employment equity, as a pre-condition to the validation of their bids. All Bidders **MUST** check the appropriate box(es) below.

FCP-EE requirements do not apply for the following reason(s):

- Bidder will not be awarded a contract of \$1,000,000 or more (including all applicable taxes) based on the proposal submitted;
- Bidder has fewer than 100 permanent part-time and/or full-time employees; and/or
- Bidder is a federally regulated employer;

**or**, FCP-EE requirements do apply, and the Bidder encloses the necessary evidence of compliance with the FCP-EE:

- Bidder's valid and current Agreement to Implement Employment Equity duly signed by an authorized representative is attached; or
- Bidder's valid and current Agreement to Implement Employment Equity number issued by ESDC-Labour (Certificate number) is: \_\_\_\_\_

**and**, by submitting a proposal, the Bidder certifies that it, and any of the Bidder's subcontractors or members, are not named on the FCP-EE limited eligibility to bid list maintained by ESDC-Labour. In the event the Bidder, or any of the Bidder's subcontractors or members, are named on the FCP-EE limited eligibility to bid list maintained by ESDC-Labour, the OAG may, in its sole and absolute discretion, reject the Bidder's proposal and give it no further consideration.

**Note:** The FCP-EE applies to Canadian-based Bidders only.

### 4. Certification of Education and Experience

By submitting a proposal, the Bidder certifies that all statements made with regard to the education and the experience of individuals proposed for completing the subject work are accurate and factual, and the Bidder is aware that the OAG reserves the right to verify any information provided in this regard and that untrue statements may result in the proposal being declared non-compliant and given no further consideration.

## 5. Certification of Availability and Status of Personnel

### 5.1 Availability and Status of Personnel

By submitting a proposal, the Bidder certifies that, should it be awarded a contract as a result of this solicitation, every individual proposed in its proposal will be available to perform the work as required by the OAG and at the time specified in the solicitation or otherwise agreed with the Contracting Representative. If, for reasons beyond its control, the Bidder is unable to provide the services of an individual named in its proposal, the Bidder may propose a substitute with similar qualifications and experience. The Bidder must advise the Contracting Representative in writing of the reason for the substitution and provide the name, qualifications and experience of the proposed replacement as well as proof that the replacement has the required security clearance, if applicable. For the purpose of this certification, reasons beyond the control of the Bidder may include, without limitation, death, sickness, maternity and parental leave, retirement, resignation, dismissal, or termination of an agreement.

If the Bidder has proposed any individual who is not an employee of the Bidder to perform the work, in whole or in part, the Bidder hereby certifies that it has written permission from such individual (or the employer of such individual) to propose such individual in relation to the work to be performed and to submit such individual's résumé to the OAG. The Bidder must, upon the request of the OAG, provide a copy of such written permission, in relation to any or all non-employees proposed. Failure to comply with such a request may, in the OAG's sole and absolute discretion, result in the Bidder's proposal being rejected and given no further consideration.

## 6. Certification of Former Public Servant in Receipt of a Pension

Bidders are to check the appropriate box(es) below.

Is the Bidder, or any of the Bidder's directors or officers, or any employees or subcontractors who may perform work under any contract resulting from any bid solicitation relating to this solicitation, a former public servant (FPS) in receipt of a pension under the *Public Service Superannuation Act* (PSSA)?

Yes (  )      No (  )

If yes, the Bidder must provide the following information in respect of any and all individuals:

- a) Name of public servant;
- b) Date of termination of employment or retirement from the Public Service

By providing this information, the Bidder acknowledges and agrees that the individual's status as a FPS in receipt of a pension will be reported on the OAG website as part of the published proactive disclosure reports in accordance with the following policy instruments issued by Treasury Board Secretariat: *Contracting Policy Notice: 2012-2* and the *Guidelines on the Proactive Disclosure of Contracts* in the event the Bidder is awarded any contract resulting from any bid solicitation relating to this qualification solicitation and such contract or any amendment is valued in excess of \$10,000 (including taxes).

A FPS is any former member of a department as defined in the *Financial Administration Act*, R.S.C., 1985, c. F-11 (as amended), a former member of the Canadian Armed forces or a former member of the Royal Canadian Mounted Police PSSA (\*) and may be:

- a) An individual,
- b) An individual that has incorporated,
- c) A partnership made of former public servants in receipt of PSSA pensions;
- d) A sole proprietorship or entity where the affected individual has a controlling (\*\*) or major (50% + 1) interest in the entity.

(\*) It does not include pensions payable pursuant to Canadian Forces Superannuation, Defence Services Pension Continuation, Royal Mounted Police Superannuation, Members of Parliament Retiring Allowances and Canada Pension Plan

(\*\*) For this purpose, "controlling" includes everyone, but not limited to organizations, bodies corporate, societies, companies, firms, partnerships, associations of persons, where individuals or directors, directly or indirectly either controls or has the power to control the other(s).

#### Work Force Reduction Program

Is the Bidder, or any of the Bidder's directors or officers, or any employees or subcontractors who may perform work under any bid solicitation or contract resulting from this qualification solicitation, a FPS who received a lump sum payment pursuant to the terms of a work force reduction program? **Yes ( )**

**No ( )**

If so, the Bidder must provide the following information:

- a) Name of public servant;
- b) Conditions of the lump sum payment incentive;
- c) Date of termination of employment;
- d) Amount of lump sum payment;
- e) Rate of pay on which lump sum payment is based;
- f) Period of lump sum payment including start date, end date and number of weeks;
- g) Number and amount (professional fees) of other contracts subject to the restrictions of a work force reduction program.

A *lump sum payment* period means the period measured in weeks of salary, for which payment has been made to facilitate the transition to retirement or to other employment as a result of the implementation of various programs to reduce the size of the Public Service. The lump sum payment period does not include the period of severance pay, which is measured in a like manner.

For all contracts awarded during the lump sum payment period, the total amount of fees that may be paid to a FPS who received a lump sum payment is \$5,000, including the Goods and Services Tax or Harmonized Sales Tax.

## **7. Integrity Provisions**

By submitting a proposal, the Bidder certifies that the Bidder and its Affiliates are compliant with the Integrity Provisions set out in the terms and conditions of Section 5 (Contract Terms and Conditions) of this RFP (the "Integrity Provisions").

### **1. Statement**

- a. By submitting a proposal, the Bidder agrees to comply with the terms and conditions set out in the Integrity Provisions that apply to and form part of any bid solicitation or contract resulting from this qualification solicitation. In addition, the Bidder agrees to respond to the qualification solicitation in an honest, fair and comprehensive manner, and to accurately reflect their capacity to satisfy the requirements stipulated in the qualification solicitation and any resulting bid solicitation contract(s), and to submit proposals as well as enter into contracts only if they will fulfill all resulting obligations.
- b. By submitting a proposal, the Bidder confirms that they understand that being convicted of certain offences will render them ineligible to be awarded a contract. The OAG will declare non-responsive any bid in respect of which the information requested is incomplete or inaccurate, or in respect of which the information contained in the certifications is found by OAG to be untrue in any respect, at the time of contract award. If it is determined by the OAG, after contract award, that the Bidder made a false declaration, OAG will, following a notice period, have the right to terminate the Contract for default.

2. List of Names
  - a. Bidders who are incorporated **MUST** provide a complete list of names of all individuals who are currently directors of the Bidder. Bidders bidding as sole proprietorship, must provide the name of the owner(s). Bidders bidding as societies, firms, or partnerships do not need to provide lists of names.
  - b. If the required list of names has not been received by the time the evaluation of bids is completed, OAG will inform the Bidder of a time frame within which to provide the information. Failure to provide the names within the time frame specified will render the bid non-responsive. Providing the required names is a mandatory requirement for recommendation of qualification for the permanent suppliers list.
  - c. The Bidder must immediately inform OAG in writing of any changes affecting the list of names of directors and owners during this procurement process.
3. Request for Additional Information

By submitting a bid, the Bidder certifies that it is aware, and that its Affiliates are aware, that OAG may request additional information, certifications, validations from a third party qualified by the OAG, and other evidentiary elements proving identity or eligibility to contract with OAG. OAG may also verify the information provided by the Bidder, including the information relating to convictions for certain offences and any conditional or absolute discharges specified in the Integrity Provisions.
4. Suspension of Period of Ineligibility

The Bidder confirms that it understands that a determination of Ineligibility for entering into government contracts made under the Integrity Provisions may be suspended by the OAG through an Administrative Agreement, to the extent that it is permissible in law. The period of Ineligibility applicable to that Bidder or its Affiliate and the right to participate in a given procurement process are guided by the terms and conditions of the Administrative Agreement. Subject to the Public Interest Exception, an Administrative Agreement may only suspend a period of Ineligibility on solicitations issued after it has been concluded.
5. Period of Ineligibility for Providing False or Misleading Information

The Bidder confirms that it understands that where it has made a false declaration or provided false or misleading information under the Integrity Provisions, the OAG will declare a Bidder to be ineligible to be awarded contracts for a period of ten years. The period of Ineligibility is effective from the date of determination by the OAG.
6. Period of Ineligibility for Breaching Administrative Agreements

The Bidder confirms that it understands that where it has concluded an Administrative Agreement and that it has breached any of its terms and conditions, the OAG will lengthen the period of Ineligibility for a period to be determined by the OAG.
7. Suspension of a Bidder

The Bidder confirms that it understands that the OAG may suspend a Bidder from being awarded a contract for a period of up to 18 months, subject to renewal, pending completion of the criminal proceeding, if the Bidder has been charged with any of the offences listed in the Canadian Offences Resulting in Legal Incapacity, the Canadian Offences and the Foreign Offences subsections or if the Bidder has admitted to being guilty of any of these offences. The period of Suspension is effective from the date of determination by the OAG. A period of Suspension does not abridge or suspend all other periods of Ineligibility that may be imposed on a Bidder by the OAG.
8. Third Party Validation

The Bidder confirms that it understands that where it or any of the Bidder's Affiliates has been subject to a period of Ineligibility to be awarded contracts, for which the Canadian Pardons and the Foreign Pardons subsections do not apply, the Bidder must provide by bid closing date, a confirmation from an independent third party, recognized in advance by the OAG, confirming that measures have been put in place in order to avoid the re-occurrence of such wrongdoings that led to the convictions. Failure to provide the said confirmation from an independent third party renders this bid non-responsive.

9. Subcontractors

The Bidder must ensure that contracts with first tier subcontractors include Integrity Provisions similar to those imposed in the resulting contract.

10. Public Interest Exception

The Bidder confirms that it understands:

- a. that, with the exception of a legal incapacity to contract resulting from section 750(3) of the Criminal Code, OAG may enter in a contract with a Bidder, or any of its Affiliates, which have been convicted of or have pleaded guilty to any of the offences referenced in the Canadian Offences and Foreign Offences subsections, where OAG considers it necessary to the public interest for reasons which include, but are not limited to:
  - i. the need is one of pressing emergency in which delay would be injurious to the public interest;
  - ii. the Bidder is the only person capable of performing the contract;
  - iii. the contract is essential to maintain sufficient emergency stocks in order to safeguard against possible shortages; and;
  - iv. not entering into the contract with the Bidder would have a significant adverse impact on the statutory mandate of the OAG, or otherwise adversely affect health, national security, safety, security or economic or financial well-being of the people of Canada or the functioning of any portion of the federal public administration;
- b. OAG may only enter into a contract with an ineligible Bidder under this subsection where the ineligible Bidder has concluded an Administrative Agreement with the OAG, on such terms and conditions that are necessary to safeguard the integrity of the procurement process and can apply to any procurement. The Administrative Agreement need not be concluded in advance of the solicitation.

**8. Conflict of Interest**

By submitting a proposal, the Bidder:

- a. acknowledges having read the *Code of Values, Ethics & Professional Conduct for the Office of the Auditor General of Canada*, which the Bidder agrees shall govern the conduct of the Bidder and the Bidder's personnel in respect of this qualification solicitation and any resulting bid solicitation or contract;
- b. agrees that all actual, potential and perceived conflicts of interest that may affect work with the OAG, or may affect submission of a proposal in response to this qualification solicitation, or may affect any bid solicitation or contract resulting from this qualification solicitation, shall be disclosed in writing to the Contracting Representative without delay; and
- c. undertakes to ensure that all Bidder personnel conduct themselves in compliance with the principles of the *Code of Values, Ethics & Professional Conduct for the Office of the Auditor General of Canada* in respect of this qualification solicitation and any bid solicitation or contract.

**9. Bidder's Authorized Signatory**

By submitting a proposal and signing below, the Bidder declares and certifies that the information submitted with the proposal in response to this qualification solicitation is accurate and complete and agrees with the terms and conditions of the qualification solicitation, including the terms and conditions of any resulting contract in the event of any subsequent bid solicitation.

The Steam(s) in which we are seeking to qualify are (Identify Stream #(s) and Title(s))

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AUTHORIZED SIGNATORY OF BIDDER			
<b>SIGNATURE:</b>		<b>DATE</b>	
<b>NAME AND TITLE OF SIGNATORY (please print):</b>			