

REQUEST FOR PROPOSAL

FOR

National Collection Agency Services

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201702391*

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I SECTION I GENERAL INFORMATION

I.1 Overview of Section I

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

I.2 Introduction and Scope

*CMHC wishes to enter into **Agreements** with up to three (3) service providers (hereafter referred to as “Collection Agency/Collection Agencies”, “Agency/Agencies” or the “proponent(s)”) for the purpose of collection monies owed to CMHC in accordance with CMHC objectives, guidelines and expectations.*

This Agreement will have an initial term of one (1) year, with the potential to renew for two subsequent one-year renewals, not to exceed a cumulative total of three (3) years.

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

I.3 CMHC Background

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

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

I.4 Purpose of Request for Proposal

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

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

I.5 Service Providers Database

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

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

Schedule of Events

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

Date	Activities
November, 2017	Request for Proposal issued
December, 2017	Submission Deadline
December, 2017- January, 2018	Evaluation and Selection of lead proponent(s)
March, 2018	Finalize contract with lead proponent(s)
March, 2018	Announcement of successful proponent(s)

1.6 Mandatory Requirements

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

A mandatory requirement is defined as:

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

Mandatory requirements are identified in:

- Section 2 Submission Instructions
- Section 4 Proposal Requirements
- Section 6 Proposed Agreement, and
- Appendix A The Certificate of Submission.

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

requirement, all proponents will be advised of the change in requirements and provided with an opportunity to revise their proposals as noted in section 2.4.

I.7 Procurement Policy Re: The Environment

CMHC fully supports the principle of sustainable development. Economic development and the preservation of the environment are each given consideration in the RFP process to help ensure that the actions of one generation do not compromise the ability of future generations to have an equal quality of life. To this end, CMHC is dedicated to integrating sound environmental practices into its procurement practices.

The Contracting Authority may authorize preferential pricing of up to ten percent for the purchase of more environmentally sound commodities. The evaluation methodology in Section 5 describes any environmental preferences associated with this procurement.

I.8 Proponent Feedback

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

Proponents wishing to provide feedback may submit comments labeled as **Proponent Feedback RFP # 201702391** to the name and address provided in Section 2.4.

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

Direct Deposit and Income Tax Reporting Requirement

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

As a federal Crown Corporation, CMHC is obliged under the Income Tax Act and its associated regulations to report payments to suppliers of goods and/or services by using a T1204 supplementary slip. Proponents are therefore required to provide the necessary information, including the proponent's social insurance number and/or corporate identification number, with their proposals in order to allow CMHC to complete the T1204 supplementary slip. The lead proponent will be required to complete and sign a Supplier - Direct Deposit and Tax Information Form (CMHC/SCHL 3085) prior to the commencement of the term of any resulting agreement. Throughout the term, the Contractor will be required to ensure that the information provided remains accurate and up to date. The Contractor assumes full responsibility for and indemnifies CMHC from and against any errors in payments or tax reporting that arise because the information supplied is inaccurate or out of date.

2 SECTION 2 SUBMISSION INSTRUCTIONS

2.1 Overview of Section 2

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

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

2.2 Certificate of Submission

MANDATORY

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

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

2.3 Delivery Instructions and Deadline (by EBID)

Timely and correct delivery of proposals to the exact specified proposal delivery address is the sole responsibility of the proponent. All risks and consequences of a failure to deliver a proposal to CMHC are borne by the proponent. CMHC will not assume those risks or responsibilities under any circumstances.

The time of delivery for the purposes of this section is deemed to be the time recorded by the CMHC system receiving the proposal, and not the time the proposal was sent by the proponent.

Please be advised that EBID has a size limitation 10 MB. It is advisable and recommended that Proponents submit larger proposals in multiple smaller files.

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

Please be advised that electronic transmissions may not necessarily be immediate and can experience lengthy delivery delays. Proponents should ensure that sufficient delivery time is allowed, as they assume the risk of delays in transmission and receipt.

Address for Delivery

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

EBID@cmhc-schl.gc.ca

The subject line of the transmission must state: RFP, file # 201702391

Language of Proposal

Proposals may be submitted in English or French.

Format

Proposals may be submitted in MS Word or Adobe Acrobat PDF.

Rich Text formatted or Compressed (Zipped) documents cannot be opened by CMHC and will not be considered.

Proposal Opening and Verification Period

All EBID proposals received on or before the closing date and time specified in this RFP, will be opened for verification by CMHC. If at that time, CMHC is unable to open a proposal, the proponent will be so advised and provided an opportunity to resubmit a version that can be opened within 2 hours of notification.

2.3.1 Submission Deadline

MANDATORY

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

2:00 p.m. local Ottawa time, on December 22, 2017

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

2.4 Inquiries

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

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

Changes to this RFP document will only be effective if issued by CMHC in writing as described below. Proponents are therefore strongly cautioned to request that all clarification, direction and changes be provided in writing, as information given orally by any person within CMHC shall not be binding upon CMHC.

All written questions submitted, which in the opinion of CMHC raise an issue that has the potential to affect all proponents, will be answered by CMHC in writing and distributed to all proponents by e-mail

or GETS. The identity of the proponent making the inquiry will not be included in the response. Any questions of a proprietary nature must be clearly marked as such.

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

CMHC has no obligation to respond to any inquiry, and will determine, at its sole discretion, whether it will respond to inquiries that are submitted. CMHC cannot guarantee a reply to inquiries received less than **seven calendar days** prior to the closing date.

2.5 Communication

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

2.6 Proponent Contact

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

2.7 Offering Period

MANDATORY

It is a deemed condition of every proposal that the terms of the proposal, including all terms relating to pricing, shall remain valid and binding on the proponent until such time as an Agreement is negotiated and executed, not to exceed one hundred and twenty (120) days following the closing date.

2.8 Changes to Proposals

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

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

2.9 Multiple Proposals

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

2.10 Acceptable Alternative

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

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

2.11 No Liability

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

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

2.12 Verification of Proposals

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

2.13 Ownership of Responses

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

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

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

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

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

2.14 Proprietary Information

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

2.15 Corporation Identification

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

2.16 Declaration with respect to Gratuities

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

2.17 Conflict of Interest

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

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

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

2.18 Declaration with respect to Bid Rigging and Collusion

By submitting its proposal, the proponent certifies that:

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

2.19 Security Clearance

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

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

2.20 Joint Venture Responses

Joint venture proposals should adequately represent and communicate the proposed roles and responsibilities of each party participating in the joint venture, and must provide a detailed description of the proposed joint venture business arrangement. The description must, at a minimum, list the companies involved, indicate how long the business arrangement has been (or will be) in existence, outline the goods or service(s) that each respective party would be providing and describe the proposed roles and responsibilities of each party.

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

Joint venture responses must be accompanied by a signed Certification of Submission from each participating entity. Refer to Section 2.2.

2.21 Non-Disclosure of CMHC Information

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

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

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

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

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

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

3 SECTION 3 STATEMENT OF WORK

3.1 Overview of Section 3

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

3.2 Mandatory Requirements

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

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

The Mandatory Compliance Checklist is located at Appendix C (7.3).

3.3 Statement of Work

CMHC wishes to enter into Agreements with up to three (3) Collection Agencies to work with the National Recoveries Centre to collect monies owed to CMHC in accordance with CMHC objectives, guidelines and expectations. The National Recoveries Centre, located in Ottawa, Ontario is responsible for the administration of defaulted accounts including their assignment to collection agencies. It has the overall responsibility for the administration of the Agreements which will result from this RFP.

3.3.1 Portfolio of Work

The portfolio is comprised of Mortgage Insurance Activities Judgments. The total value of the Portfolio to be assigned is estimated at approximately one billion, three hundred thirty-eight million dollars (\$1,338,000,000) with twenty-six thousand (26,000) accounts.

3.3.2 Automation and Electronic Innovation

CMHC mandates that CMHC Collection Agencies use the Delinquency Recovery System (DRS) provided by TECHCOM. The TECHCOM DRS is complete with the capability to track/record case work, generate correspondence, upload copies of scanned documentation, run reports, etc. All electronic reporting will be done through TECHCOM DRS. The performance of the Collection Agency will be measured by CMHC using TECHCOM DRS reports. During the contract period, CMHC will continue to investigate and may seek Collection Agency input on the evaluation of various methods of portfolio analysis and other collection tools.

The Collection Agency is responsible for all costs associated with acquiring and maintaining TECHCOM DRS.

The Collection Agency's hardware, software and communication lines must provide for an end to end response that would remain within six (6) seconds ninety-five percent (95%) of the time for online retrieval of an account transaction when accessing the TECHCOM DRS used by CMHC. This implies that the Collection Agency's technical infrastructure must maintain performance levels. CMHC will require that periodic checks either manual or automated are performed to ensure that response time is not adversely affected.

The Collection Agency must demonstrate due diligence in the protection of CMHC data as well as all network connections to and from CMHC and any of its business partners. The Collection Agency acknowledges that it is familiar with federal privacy legislation and all other applicable Acts legislating the protection of personal information, as well acknowledges it complies with or exceeds Canadian industry security standards and procedures. CMHC will perform a 'Security Audit' on an as needed basis, however, the ultimate responsibility for compliance with the legislation and industry security standards remains with the Collection Agency. This includes the Collection Agency obtaining all licenses and permits that it is required to obtain under applicable laws in connection with providing collection services.

The Collection Agency will require one TECHCOM provided and managed primary and a separate redundancy/secondary last mile network access to the TECHCOM managed non-Internet point-to-point private network.

If the Collection Agency is already a member organization of the TECHCOM private network, an assessment of the existing access will be needed to ensure the existing access can support additional Collection Agency users that will service CMHC assigned inventory. If the existing Collection Agency network access has capacity to support the additional collectors required to service CMHC, TECHCOM does not anticipate any additional monthly network charge/increase to the Collection Agency. However, if an upgrade is required, a one-time installation fee may apply with the Collection Agency monthly network access charge increasing.

TECHCOM will support the set-up and training of each successful proponent regarding the day-to-day workflow (account level) and operational activities that exists on the out of box TECHCOM DRS in use by CMHC. This will support successful proponents with extracting dialer files, conducting scrubs or scoring with Equifax and/or TransUnion, importing dialer results or other data to update accounts on the TECHCOM DRS, creating correspondence templates (subject to CMHC review and approval) and other processes on the TECHCOM DRS used by CMHC.

While daily work activity must be conducted using the TECHCOM DRS used by CMHC, this will not restrict the Collection Agency from using their own trace scrubs and other tools. However, the TECHCOM DRS used by CMHC must be updated (e.g. the note lines for each applicable account) to indicate what activities have been carried out.

3.3.3 Commission

Except as otherwise provided in this Agreement, CMHC agrees to pay the Collection Agency a base commission rate not exceeding twenty percent (20%) on all amounts collected by the Agency from the debtor. This commission rate shall apply to the entire term of the Agreement, including any renewal term. There is a bonus available to Collection Agencies based on performance.

3.3.4 Bonus

The purpose of the bonus is to stimulate collections. CMHC will pay a monthly bonus to the agencies of up to three percent (3%) additional commission rate based on performance.

- If an agency exceeds its monthly target by one to fifteen percent (1%-15%), CMHC will pay a bonus of one percent (1 %) of the Collection Agency's total recoveries that month.
- If an agency exceeds its monthly target by fifteen to thirty percent (15%-30%), CMHC will pay a bonus of two percent (2 %) of the Collection Agency's total recoveries that month.
- If an agency exceeds its monthly target by thirty percent (30%) or more, CMHC will pay a bonus of 3 percent (3 %) of the Collection Agency's total recoveries that month.

Bonus	
Percent Above Monthly Target	Bonus Percentage Received on Monthly Recoveries

1%-15%	1%
15%-30%	2%
30%+	3%

Notwithstanding the foregoing, CMHC reserves the right to amend the bonus structure to ensure fairness to all agencies and that the bonus serves its designed purpose.

3.3.5 Conduct Towards Debtor

The Collection Agency undertakes to use its best efforts, with persistent activity and due diligence, to collect the accounts assigned to it for collection, and to employ such lawful means, methods and procedures as in its judgment, discretion, and experience it believes will best effect the collection of such accounts.

The Collection Agency will act professionally, legally and ethically at all times. The Collection Agency agrees to respect the following guidelines in the collection of accounts assigned to it by CMHC:

- (i) It will act in a firm and reasonable manner in all dealings with debtors and do nothing to reflect adversely on the reputation of CMHC.
- (ii) It will at all times be diplomatic and courteous to the debtor and will use its best efforts to maintain and promote goodwill toward CMHC. All collection activities must be conducted directly with the debtor, not with third parties unless written authorization from the debtor has been obtained.
- (iii) It will undertake all collection actions in a professional and courteous manner and in accordance with the legislation governing collection activities in the relevant jurisdiction.
- (iv) It will deal courteously with any request by a debtor for verification of any outstanding issues relating to his or her account.
- (v) It will not make "collect" telephone calls to debtors in the collection of accounts. It will absorb the cost of all long distance telephone calls made in an effort to collect the account.
- (vi) It will not make false threats of suit or legal action and will not allow its employees to falsely represent themselves as lawyers, solicitors, CMHC employees, police or other persons in authority. It will identify itself to debtors on all correspondence and telephone contacts as being a collection agency acting as an agent of CMHC.
- (vii) It will take all steps necessary to reach a settlement prior to making a referral for legal action.
- (viii) It will not threaten to contact, nor will it contact employers, police, neighbours or other parties unless for tracing, for service of documents or for verification of employment.

(ix) It will not falsely represent that an account has been placed or is about to be placed with a solicitor. Collectors will not identify themselves as being from a "legal department".

(x) It will not use misleading "bait" letters to contact an account. It will only use letters bearing its corporate name on any correspondence to debtors, and such letters shall indicate that the Collection Agency is collecting on CMHC's behalf and shall show the actual unpaid balance.

(xi) All form correspondence used by the Collection Agency shall be submitted to CMHC for review and approval prior to being used in the collection of accounts.

(xii) In attempting to locate the debtor, inquiries to debtor's relatives or friends must be conducted in a business-like manner. The collection officer/tracer must not discuss the reason for the requested information. Trace activity will be conducted to obtain employment information, asset information or phone number.

3.3.6 Distribution of Accounts and Performance Measurement

The Agencies will compete against one another to obtain assignments. After an initial period the Agencies' performance will be measured and assignments will be distributed proportionately based on the performance of each Collection Agency.

CMHC may assign accounts to the market share distribution outlined below. CMHC may, at its discretion, withhold accounts from certain geographical regions if it is determined that the Collection Agency's performance is inadequate or for any other reason.

All accounts are considered first time assignments regardless of the fact these may have been previously assigned to another Collection Agency.

Distribution frequency of assignments will be determined at CMHC's discretion. CMHC will determine the amount of monthly assignments available for distribution based on the volume of accounts.

All Agencies will be given an equal distribution of accounts during an initial period, namely the first three (3) months of the term of the Agreement. The total recoveries for the first three (3) months of the Agreement will determine the distribution of assignments for the fourth month of the Agreement. Thereafter, agencies will compete on distribution of market share of new assignments based on a points performance system consisting of three (3) criteria:

1. The total recoveries for the previous month
2. The percentage of recoveries in relation to the Agency's monthly target
3. A compliance score

Each criteria as listed will be determined by a point system which will result in a total performance score. The Agency with the highest score will yield the highest market share. The market share will be distributed based on the following example of three (3) agencies being selected:

- Agency with the highest score receives fifty percent (50%) of market share assignments.
- Agency with the second highest score will receive thirty percent (30%) of market share assignments.
- Agency with the lowest score will receive twenty percent (20%) market share assignments.

More information regarding the performance measurements will be provided to the successful proponent(s).

Distribution of market share as well as the tallying of the final recovery amounts will occur mid-month.

In the event there are less than three agencies selected, the above table will be adjusted accordingly.

While service level is not used in the market share formula it will be monitored closely and all service issues will be treated seriously and will be evaluated on a case by case basis. Unresolved service issues may result in a temporary or permanent suspension of business.

3.3.7 Performance Expectations

Each account the Collection Agency receives must be worked immediately. It is expected that the Collection Agency will pull a credit bureau within five (5) business days of assignment of the account and a letter is to be sent to the most recent and if applicable to the previous address on the debtor's file. All phone numbers on the account must be called. The Collection Agency will note the account as well as update the status and action codes accordingly in DRS. Any new information obtained from the credit bureau (address, phone number, employment information, etc.) must be updated in DRS.

If there has been no contact with the debtor after letters have been mailed out and calls have been made, trace efforts must be made to locate the debtor. The Collection Agency must use all available tools and resources to trace.

If a voicemail message is left by the debtor, the call must be returned within a 24 hour period and documented in DRS accordingly.

The Collection Agency is expected to maximize recoveries for each account.

The Collection Agency agrees to have in-house training resources to educate and train their collection staff on existing and updated procedures.

3.3.8 Complaints

CMHC anticipates that complaints will be minimal. CMHC reserves the right to modify the market share of Collection Agencies that generate legitimate debtor complaints. Should there be a debtor complaint to CMHC concerning the Collection Agency, CMHC will notify the Collection Agency and the Collection Agency shall cease activity on the account immediately. The complaint shall be then be reviewed by CMHC. Depending on the severity of the complaint and the result of the review, it will be at CMHC's discretion to cease commissions on the account and/or have the account closed. Accounts closed due to a complaint will not be replaced.

3.3.9 Settlements

CMHC settles all accounts based on the debtor's ability to pay. Ability is determined by assessing the debtor's financial information provided through a required statutory declaration.

The Collection Agency cannot begin settlement negotiations until a complete settlement package, including a completed statutory declaration, is received.

The Collection Agency will be expected to obtain a lump sum payment or arrange a repayment schedule for each account. It is CMHC's expectation that every effort will be made in order to reach a settlement in a timely manner. To ensure proper settlement procedures have been established, during the first four (4) months of the initial contract term, all Agency negotiated settlements, including full balance settlements will require CMHC approval. Once CMHC has determined its settlement expectations have been met, the Agency will have the authority to accept settlements negotiated for ninety-five percent (95%) or more of the full balance. Anything less than ninety-five percent (95%) of the full balance will continue to require CMHC's approval.

The Collection Agency may defer collection action on an account for a three (3) to six (6) month period based on prudent consideration of circumstances. Files must be documented to indicate the rationale for this decision. Inactive accounts which have not been properly documented may be removed from the Collection Agency without notice.

If an account is to be deferred for a period longer than six (6) months, prior approval must be obtained from CMHC. Normal collection procedures will be followed as soon as it is possible to do so.

Inactive accounts or accounts that have not been worked over an extended period of time without justification may be removed at CMHC's discretion. Accounts that have been closed by the Collection Agency may be assigned to one of the other agencies as a first time assignment by CMHC.

3.3.10 Canada Revenue Agency

CMHC is registered with Canada Revenue Agency (CRA) in the Tax Refund Set-off Program. This program provides CMHC with collection revenue from federal government transfers to our debtors. The program also provides an efficient method of locating debtors. CMHC is responsible for the cost of this program and may share limited information obtained from CRA with the Collection Agency.

3.3.11 Payment Arrangements

The Collection Agency will clearly and fully document why a settlement agreement cannot be reached with the debtor and will advise CMHC. If a settlement cannot be reached with the debtor due to the debtor's temporary financial circumstances (part time employment, student, maternity leave, etc.), a payment arrangement may be made for a period of up to one (1) year. Payment arrangements consist of monthly or bi-weekly payments. Once the term of the payment arrangement has elapsed, the Collection Agency shall contact the debtor to reassess their financial circumstances. The Collection Agency will not suggest bankruptcy as an option to any debtor.

If the debtor becomes fully employed, the Collection Agency will send a letter to the debtor asking for payments. The Collection Agency will inform the debtor that interest will continue to accrue on the unpaid principal in all cases as indicated in prior correspondence.

3.3.12 Bankruptcy/Credit Counseling/Consumer Proposal

The Collection Agency agrees that it will immediately inform CMHC, and close any debtor's account assigned to the Collection Agency, if the debtor files for bankruptcy, files a consumer proposal or falls under Credit Counseling, Orderly Payment of Debt or Dépôt Volontaire (Voluntary Deposit). The

Collection Agency agrees to advise CMHC of any accounts closed in this manner and provide supporting documentation. Accounts closed due to bankruptcy will not be deducted from gross assignments.

3.3.13 Estate/Deceased Accounts

The Collection Agency agrees that should a notification be received indicating the debtor is deceased, all efforts are to be made to contact the estate and reach a settlement. This would include skip tracing to locate the next of kin or the executor.

3.3.14 Application of Payments

All payments forwarded to the Collection Agency by the debtor shall be applied against the outstanding principal and interest balance on the debtor's accounts and shall be deposited separately and **In Trust** for CMHC in an interest bearing account. All non-certified funds are to be maintained in the trust account for ten (10) business days in order to ensure no NSF cheques are received. The Collection Agency agrees to waive any claims that it may have against CMHC based on a NSF cheque received from a debtor which arises after remittance to CMHC. The Agency is to review all correspondence received with payments prior to depositing the payment.

On all accounts, interest is calculated at a court awarded or prescribed rate. CMHC will update the provincial/territorial interest rates as necessary. All payments are applied to principal first and then to interest. Payments will be applied to the account of the borrower who made the payment.

The Collection Agency agrees to remit the collected amounts to CMHC on a weekly basis with a statement, as described below, less the Agency commission.

All funds collected by the Collection Agency shall be delivered to the National Recoveries Centre at National Office indicated in article 5.2 of the Proposed Agreement hereof by the close of business on the first business day of each week which CMHC will advise of on a monthly basis. All remittances shall be on a net basis. The agreed commission rate shall be retained by the Collection Agency from the gross collections. The statement to support the weekly deposit of payments shall be forwarded to CMHC along with the remittance. The statement will include the account number, the amount remitted and other items which may be specified by CMHC. The total on the report will equal the amount remitted in the period. All remittances shall be made payable to "Canada Mortgage and Housing Corporation".

The electronic transfer of funds including supporting data is the mandatory means of remittance processing between the Collection Agency and CMHC.

Where CMHC has not assumed conduct of any legal proceedings or has not assumed conduct of an account, CMHC agrees to advise the Collection Agency, where reasonable, of any and all payments made directly to CMHC with respect to accounts assigned with the Collection Agency. CMHC will remit on a semi-monthly basis to the Collection Agency all commissions payable to the Collection Agency with respect to any such direct payments. CMHC reserves the right to charge back the amount of commission paid to the Collection Agency on these direct payments if the direct payment is returned.

Funds received directly by CMHC via the Canada Revenue Agency's "Refund Set-Off Program"

will only be eligible for the calculation of commission by the Collection Agency under the following circumstances:

- the file notes clearly document that the CRA payment is included as part of the original settlement agreement
- the CRA flag is closed, and the Collection Agency is able to locate the debtor and update their address which then triggered the flag for CRA payments to be received

Bankruptcy/consumer proposal dividends, piggyback garnishments, Canada Revenue Agency payments without a settlement in place unless specifically authorized by CMHC, and funds received through a payment arrangement where there is no mutual settlement agreement in place, are not eligible for the calculation of commission by the Collection Agency.

3.3.15 Close-Out Procedures

During Agreement Term

Upon notification by CMHC, designated files may be removed from the Collection Agency through DRS. All Collection Agency notes will remain on DRS with no charge to CMHC.

CMHC reserves the right to request any account or accounts placed with the Collection Agency be closed at the cost of the Collection Agency without explanation to the Collection Agency as to the reason for the closure. If an account is closed, the Collection Agency will forward all information gathered to date to CMHC and will immediately cease any activity on the collection of the account and any authority granted under this Agreement to act on behalf of CMHC is immediately revoked with respect to the accounts recalled. In response to any inquiries received relating to the closed account, the Collection Agency will advise the person making the request that the Collection Agency no longer represents CMHC with respect to the account in question and that CMHC should be contacted directly.

The Collection Agency shall notify CMHC if an account has been placed with the Collection Agency for more than twelve (12) months and no successful contact with the debtor has been made. The Collection Agency shall then forward all file material relating to this account to CMHC, including any details of ongoing proceedings or any actions taken while such account was in the possession of the Collection Agency. The Collection Agency will thereby relinquish all interest in the returned account and will take no further action on the account unless such action is specifically requested or approved by CMHC.

After Agreement has Ended

Upon the end of the Agreement, all accounts without a settlement in place or garnishment that was initiated by the Agency shall be removed from the Collection Agency and the Collection Agency shall forward all information gathered to date to CMHC. All CMHC account information held by the Agency must be destroyed or returned to CMHC. The Collection Agency will immediately cease any activity on the collection of the account and any authority granted under this Agreement to act on behalf of CMHC is immediately revoked with respect to the accounts recalled.

Ongoing settlements that were initiated and accepted by the Agency prior to the termination of the Agreement will continue to receive commissions on the payments received as per the settlement terms.

In order to receive commissions after the Agreement has ended, the Agency agrees to:

- *continue to regularly monitor the account to ensure payments are being received as per the settlement agreement*
- *ensure there is a contact available for the debtor to call at the Collection Agency for inquiries on their account*

Should there be three (3) consecutive missed payments, the account will be closed with the agency and commissions will be terminated.

No legal actions are to be taken by the Agency once the Agreement has ended.

Once the Agreement has ended, all other aspects of the account will be managed by CMHC.

3.3.16 Maintenance of Accounts

The Collection Agency will record all collection activities of an account in the note line section of DRS. All notes must be clear and indicate the action that took place.

The status and action codes of DRS are to be updated accurately each time the Collection Agency works an account.

CMHC agrees to advise the Collection Agency on a regular basis of all financial and non-financial information received by CMHC relating to the accounts assigned to the Collection Agency. The Collection Agency shall translate all such information for use in its information system and shall update all of its files. Such information includes, but is not limited to, new addresses, phone numbers and updated employment information of the debtor.

CMHC's files are not to be packetized with accounts of other companies on the Agency Collection System.

Packetizing should only be done with CMHC accounts where more than one account is owing by the same debtor (Debtor Multi-Accounts).

Searches must be performed by the Collection Agency to verify if the debtor(s) has other properties registered in their name. Should other properties be located, it is important that this information be referred to the National Recoveries Centre on a timely basis.

3.3.17 Legal Actions and Costs

Agencies must diligently collect on accounts to attempt to achieve results to avoid legal action. However, once all attempts have been made without success, agencies may submit recommendations for garnishment of wages, reciprocal judgments, liens on property assets, debtor examinations, and forced sale, where necessary. All legal requests must be referred to CMHC for approval. With the possible exception of garnishments (see below), all legal action will be initiated and managed by CMHC.

Prior to a legal request being submitted, the note lines of the account must clearly indicate that numerous contact attempts have been made to settle with the debtor over a span of at least 6 months.

Provided that no litigation or formal legal action is necessary, CMHC may authorize the Collection Agency to utilize garnishment as a means to collect. The Collection Agency shall be responsible for all costs associated with a garnishment. Costs would include; initiating the garnishment, garnishment renewals, etc. However, should the garnishment be paid off in full, CMHC will absorb the legal costs.

All garnishment requests must first be submitted to CMHC through a legal request form. The Collection Agency shall include in that request: the reason for the garnishment, the name and contact information of the legal counsel who will provide garnishment services, the estimated costs associated with the garnishment, etc. The decision to proceed with the garnishment through the Collection Agency's legal counsel or through CMHC's legal division will be at CMHC's sole discretion. If the Collection Agency is overseeing a garnishment, CMHC reserves the right to assume conduct of the garnishment proceedings at any time.

Should no garnishment payments be received twelve (12) months after the initiation of the garnishment proceedings, the account shall be closed with the Agency.

The Collection Agency shall notify CMHC in writing of all legal proceedings generated by a debtor. The Collection Agency is not authorized to instruct a lawyer or solicitor to enter into any form of litigation or legal action on CMHC's behalf. The Collection Agency shall notify CMHC in writing of all litigation or formal legal action relating to a file.

The Collection Agency shall be liable to absorb all legal costs incurred through legal requests to CMHC that were not validated. Should a legal request be submitted where the Collection Agency did not perform their due diligence, and costs are incurred due to the lack of verification, the Collection Agency agrees to be responsible for those costs. All legal requests must be reviewed and validated by CMHC prior to commissions being awarded.

3.3.18 Responsibility for Errors

The Collection Agency shall be liable for uncollected principal and interest charges if a debtor has been wrongly advised of an outstanding balance by the Collection Agency and the debtor has paid such an incorrect amount, and where as a result of the error on the part of the Collection Agency, any or all of the principal and interest that would have been owing by the debtor, has become uncollectible.

Notwithstanding, if an incorrect amount is listed for collection by CMHC and the Collection Agency collects using this incorrect amount, the Collection Agency will not be responsible for this error.

All errors made by the Agency will be reviewed by CMHC and may result in the file being removed from the Agency at CMHC's discretion. These accounts will not be replaced.

3.3.19 Agency Monitoring Visits

CMHC will conduct up to two (2) monitoring visits each year at the premises of the Collection Agency. These visits will be used to discuss the workflow of accounts, collection practices, training and coaching opportunities. For each visit, a pool of accounts from the Collection Agency will be reviewed based on CMHC's work expectations. For each visit, a monitoring report will be provided to the Collection Agency outlining the results of CMHC's findings. The Collection Agency agrees to submit an action plan describing how any identified concerns will be addressed within 30 days of the monitoring report.

The accounts associated with any processes identified within the monitoring report that are not corrected within an allotted timeframe may be subject to closure.

3.3.20 Staffing Requirements

The proponent agrees that there will be up to two (2) full time collectors and at least one (1) dedicated tracer working CMHC accounts.

The Collection Agency must have the ability to make international calls, including to the U.S.A.

4 SECTION 4 PROPOSAL REQUIREMENTS

4.1 Overview of Section 4

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

Response Item

#	Item
4.3	Covering Letter
4.4	Executive Summary
4.5	Proponent's Qualifications
4.7	Response to Statement of Work
4.8	Project Management Plan
4.9	Financial Information
4.10	Other Information
4.11	Pricing Proposal

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

Requirements for each Response Item are detailed below.

4.2 Mandatory Proposal Requirements

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

4.3 Covering Letter

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

- (a) A description of the company or joint venture/consortium.
- (b) The names of the individuals who are the principals of the proponent.
- (c) Contact information for the primary contact person with respect to this RFP including the individual's name, address, contact numbers by phone and fax, and contact e-mail address, if available.
- (d) The locations of primary and all other offices that would be servicing the Agreement.

4.4 Executive Summary

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

- (a) Key features of the proposal, features that make the proposal advantageous for CMHC, innovative approaches to meeting the requirement and cost-saving opportunities.
- (b) A brief statement of the proponent's qualifications to meet CMHC's stated requirements.

4.5 Proponent's Qualifications

MANDATORY

The proponent's proposal must include information about the proponent's qualifications as follows:

- (a) A description of the proponent's organization, its history, legal status, number of full-time employees and areas of specialization.
- (b) Résumés for all personnel who would be assigned to the project, including subcontractors, if any.
- (c) A list of references that includes all contracts of a similar size and scope which the proponent currently holds or has held over the past 36 months with the name and address of the other party to the contract, and a contact person name and phone number. Note that by providing this information, the proponent provides consent to CMHC to contact the contact persons for the purpose of collecting information relating to the quality of work provided by the proponent.
- (d) Information about office location(s) answering the following questions: If awarded this Agreement, which office would provide support services? How many personnel are located in this office and what is their specific experience with the proposed work?
- (e) Is the firm periodically conducting thorough background checks on its senior management and employees? Does the proponent have policies and procedures in place for removing employees who do not meet minimum background check requirements?
- (f) Does the proponent have processes in place for escalating, remediating, and holding management accountable for concerns during audits or independent tests?
- (g) Risk Management and Physical Security: Does the proponent have a risk management program? Were there any gaps in the proponent's risk management program identified?
- (h) The agency must be licensed to operate in each Canadian province and the Yukon, Northwest Territories and Nunavut. A copy of each valid license is to be submitted with the proposal.
- (i) What analytical tools does the Collection Agency use in order to maximize recoveries?

- (j) Does the Collection Agency have their own in-house legal counsel or are legal matters outsourced?
- (k) National and International Coverage: As some debtors will have left the country, the agencies must have a means of collecting international accounts wherever the law permits. How many agents are licensed to make international calls including the U.S.A? Is the Agency able to proceed with garnishments where the law permits in the U.S.A.?
- (l) The proponents must have been operating in Canada under Canadian law for a minimum of three (3) years as a collection agency. In cases in which an interest in an agency has been purchased by a foreign company or its subsidiary or other related entity within the last three (3) years the details of the purchase and a corporate structure diagram which details ownership should be included in the submission.
- (m) The proponent must meet the IT and technical requirements in order to support DRS as described in Section 3.3.2 prior to the beginning of the Agreement term.
- (n) Management of Information Systems and Information Security: Does the proponent have the ability to implement effective and sustainable corrective actions to address deficiencies discovered during testing?
- (o) Incident reporting and Management Programs: Does the proponent have an incident reporting and management program that ensures there are clearly documented processes and accountabilities for identifying, reporting, investigating and escalating incidents?

4.6 Bilingual Capacity

The Collection Agency will provide services in both official languages (English and French), which will include a receptionist, collector and tracer capable of working in each official language. Communications shall be initiated in both official languages until the debtor indicates his/her language of choice.

4.7 Response to Statement of Work

MANDATORY

In this section, the proponent must provide detailed information relative to the specifications listed in Section 3, The Statement of Work. The proponent must clearly describe how it meets CMHC's requirements and expectations in all sections outlined.

4.8 Project Management Plan

The proponent shall describe its project management plan including:

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

- (e) *Interface with CMHC. The proponent shall describe and explain:*
 - *its intended interface points with CMHC*
 - *all available interface mechanisms, and*
 - *how interface issues and difficulties will be resolved.*
- (f) *The proponent's plan for ensuring continuous improvement of its practices and procedures for delivering the services.*
- (g) *Staff controls with respect to the proponent's review process, review frequency, staff turn-over, procedures on complaints, and timing of staffing cycle.*
 - *What is the process for hiring, staffing, and monitoring?*
- (h) *Finance controls regarding the proponent's trust fund administration, internal financial controls, and payment processing controls.*
- (i) *Assignment controls with respect to inventory management, closure reviews, activity monitoring.*
- (j) *Service controls covering the proponent's customer service management, client service management, hours of operations and the philosophy towards resolving complaints and disputes.*
- (k) *What are the proponent's reporting capabilities?*
- (l) *Tracing facilities, in-house capacity and its success in tracing accounts. The number of accounts per tracer and collector working CMHC accounts. Dedicated versus part-time tracers/collectors.*
 - *What tracing services and tools does the Collection Agency use, and what is their tracing process?*
 - *What sets the proponent apart from others providing similar services?*
- (m) *Work/rework cycle of CMHC's accounts. Management of the collection process for ensuring optimal recovery.*
- (n) *Controls in place to prevent the unauthorized disclosure of confidential information including measures taken to comply with privacy legislation.*
- (o) *The proponent's process for obtaining garnishments.*
- (p) *What controls does the proponent have in place to respond to service disruptions or degradations resulting from natural disasters, human error, or intentional physical or cyber-attacks?*
- (q) *Is the proponent maintaining a disaster recovery and business continuity plan that specifies the time frame to resume activities and recover data?*
 - *Have the results of the proponent's business continuity testing and performance during actual disruptions been reviewed?*

4.9 Financial Information

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

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

4.9.1 Financial Capacity Review

Once identified, the lead proponent(s) may be requested to provide CMHC the following information, within 72 hours of CMHC's request to permit an analysis of the financial capacity of the lead proponent(s):

Partnerships, Corporations, Joint Ventures and Consortiums:

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

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

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

1. Auditor's Report (or Review Engagement Report),
2. Balance Sheet,
3. Income Statement,
4. Cash Flow Statement,
5. The Notes to the Financial Statements, and

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

Sole Proprietorships

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

4.10 Other Information

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

4.11 Pricing Proposal

MANDATORY

The proponent must provide a response outlining the pricing of its proposed solution in a detailed manner. Please include assumptions made to support the commission rate quoted. The proponent must submit a base commission rate that does not exceed twenty percent (20%).

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

The proponent must submit a fixed (firm) price for the services outlined in this RFP.

SECTION 5 EVALUATION AND SELECTION

5.1 Overview of Section 5

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

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

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

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

5.2 Limitation of Damages

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

5.3 Evaluation Table

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

5.4 Evaluation Methodology

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

Each compliant proposal will first be individually evaluated by each member of the Evaluation Committee that is formed by CMHC for this purpose. Evaluators will evaluate each proposal in accordance with the evaluation criteria as shown in the Evaluation Table, Appendix "B". Once individual evaluations are complete, the Evaluation Committee members will discuss their scores and agree upon a final score for each proposal.

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

Each compliant proposal that meets the minimum upset scores in each category shall then be evaluated using the "greatest score" evaluation process.

A lead proponent will be identified based on the Committee's evaluation.

5.5 Technology Security Evaluation

When applicable and at CMHC's sole discretion, CMHC shall have the right to conduct an assessment of the contractor's security controls and frameworks (the "**Security Measures**"), which assessments may be carried out by CMHC itself or by a third party on behalf of CMHC. Should a lead proponent be identified, CMHC may request the following information, within an agreed upon timeframe, to permit an analysis of the contractor's Security Measures:

1. Provide proof, to the satisfaction of CMHC of the contractor's implementation of one of the following security control guidelines: (i) ISO 27001, (ii) ITSG-33 or (iii) equivalent guideline for a PROTECTED B / Medium Integrity / Medium Availability Status;
2. Provide proof, to the satisfaction of CMHC that an enhanced Threat and Risk Assessment has been conducted on the contractor's technology/infrastructure;
3. Provide proof, to the satisfaction of CMHC that an internal and external Network Vulnerability Assessment has been conducted on the contractor's technology/infrastructure;
4. Provide CMHC with a "Security Controls Checklist" as detailed within one of the following security control guidelines: (i) ISO 27001, (ii) ITSG-33 or (iii) equivalent.

The contractor will be required to document how they have met or exceed the baseline safeguards.

The contractor may refine Security Measures as part of this process to ensure a sufficient amount of detail for their allocation of high-level design specification. CMHC will review and potentially approve any refinements implemented by the contractor as part of CMHC's review and change disposition. Upon request from CMHC I&T Security Risk Management the lead contractor will provide assurance that security controls are being managed in accordance with a PROTECTED B / Medium Integrity / Medium Availability Status environment throughout the life of the Agreement. The contractor will be required to ensure that any additional safeguards have been implemented to address any risks residual risks identified by it or by CMHC.

5.6 Financial Evaluation

Once a lead proponent is identified, CMHC may carry out a credit check and/or a financial capacity on the lead proponent. The financial evaluation will be based on the information that is requested as per Section 4.9 of this RFP.

The financial evaluation is a pass/fail evaluation to determine whether the lead proponent has the financial capacity required to provide CMHC with reasonable assurance that it will be able to meet its obligations if it enters into an agreement with CMHC. If the lead proponent passes the financial evaluation, CMHC is then in a position to begin contract negotiations. If the lead proponent fails the evaluation, it is disqualified from further consideration.

5.7 Proponent Selection

Once a lead proponent has passed the financial evaluation, CMHC has the option of entering into negotiations with that proponent to incorporate some or all of its proposal into an agreement. If at any time CMHC decides that the lead proponent cannot satisfy CMHC's requirements, CMHC may terminate negotiations. If at this time CMHC feels that the secondary proponent may meet the requirements, CMHC will continue the process with the secondary proponent and so on.

By submitting a proposal, proponents agree that if they are selected as lead proponent, they will enter into contract negotiations in a timely manner and in good faith, and within the framework of the RFP and the proponent's response to the RFP.

Announcement of the successful proponent will be made to all proponents following the signing of an agreement.

6 SECTION 6 DRAFT AGREEMENT

6.1 Overview of Section 6

Attached in Section 6.2 is a draft agreement containing terms and conditions that will form the basis of the agreement resulting from this RFP. CMHC reserves the right to add, delete or revise terms and conditions during negotiations.

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

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

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

6.2 Draft Agreement

DRAFT AGREEMENT

CMHC FILE No. _____

THIS AGREEMENT (the “Agreement”)

BETWEEN CANADA MORTGAGE AND HOUSING CORPORATION

National Office
700 Montreal Road
Ottawa, Ontario, Canada
K1A 0P7
(hereinafter referred to as "CMHC")

AND

(hereinafter referred to as "the Contractor")
(individually a “Party”, collectively the “Parties”)

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

Article 1.0 - The Services

- 1.1 The Contractor covenants and agrees to provide collection services to CMHC as requested by CMHC from time to time in accordance with the Statement of Work attached as Appendix “A” (the “Services”).
- 1.2 The Contractor represents that it possesses the requisite skills and experience to perform the Services in accordance with the terms and conditions of the Agreement. More specifically, the Contractor is licensed to operate in each Canadian province and territory, in accordance with applicable legislation, to carry on the business of a collection agency and has the means of collections accounts internationally. The Contractor warrants that the Services will be performed in a professional manner and in accordance with accepted industry standards.

Article 2.0 - Term of the Agreement

- 2.1 The term of the Agreement shall be for a period of one (1) year, commencing on March 15, 2018 and terminating on March 14, 2019(the “Initial Term”).
- 2.2 **Renewal**

The Agreement may be renewed at CMHC’s sole discretion for up to two (2) additional one (1)

year terms, not to exceed a cumulative total of three (3) years (the "Term"). CMHC shall, within thirty (30) days of the end of the Initial Term, advise the Contractor in writing of CMHC's wish to either extend or terminate the Agreement.

2.3 Termination

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

Notwithstanding the foregoing, CMHC shall have the right to recall any individual accounts from the Contractor for any reason. CMHC shall not be obliged to provide notice of its intention to recall one or more individual accounts.

Upon termination of the Agreement under this article 2.3, or recall or any accounts placed with the Contractor, the Contractor will, if so requested by CMHC, immediately return all materials concerning accounts together with any details of ongoing proceedings or action taken while the accounts were in the possession of the Collection Agency. The Contractor will continue to receive commissions for ongoing settlement arrangements and garnishments, as described in the Statement of Work.

2.4 Termination for Default of Contractor

Notwithstanding articles 2.1 and 2.2 above, CMHC may, by giving five (5) days prior written notice to the Contractor, terminate this Agreement without penalty or charge for any of the following reasons:

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

5. The Contractor commits a breach of any of its obligations under the provisions of the Agreement dealing with confidentiality of information.

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

If the Agreement is terminated by CMHC due to default under the terms hereof by the Contractor, then no commissions or costs shall be due to the Collection Agency upon termination of this Agreement, except for future commissions due related to any postdated cheques on hand.

2.4 Termination Assistance

Commencing two (2) months prior to expiration of the Term or on such earlier date as CMHC may request, or commencing upon any notice of termination or non-renewal of this Agreement, the Contractor shall provide CMHC with reasonable termination assistance as requested by CMHC to allow the services to continue without interruption or adverse effect and to facilitate the orderly transfer of the services to CMHC or its designee.

Article 3.0 – Financial

3.1 Payment to the Collection Agency shall be made in accordance with and subject to the terms and conditions as specified in Section 3 (“Statement of Work”) in the RFP.

3.2 Invoicing

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

All invoices must make reference to this Agreement by quoting CMHC file number: 201702391

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

- a) directing the Contractor to redo the work that was not completed in accordance with the Agreement;

- b) *withholding payment;*
- c) *setting off any expenses incurred by CMHC in remedying the default of Contractor against payment for payment due to the Contractor;*
- d) *terminating the Agreement for default.*

3.3 Method of Payment

All payments due under the Agreement will be made by means of Electronic Funds Transfer (“EFT”). The Contractor is responsible for providing CMHC with all the information set out in section 3.4 to allow EFT to be effected and for keeping the information up to date. In the event that CMHC is unable to make payment by EFT, the Contractor agrees to accept payment by cheque or another mutually agreeable method of payment.

3.4 Direct Deposit and Income Tax Reporting Requirement

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

3.5 Audit

The Contractor shall maintain proper and standard records and accounts during the Term and for a period of three (3) years following the end of the Term. The Contractor agrees to allow CMHC’s internal and external auditors the right to examine, at any reasonable time, any and all records relating to the services identified herein.

The Contractor agrees to provide the CMHC’s internal or external auditors with sufficient original documents in order to conduct any audit procedures. Any audit may be conducted without prior notice; however the CMHC agrees to cooperate with the Contractor in the course of conducting any audit in order to avoid disruption in day-to-day operations and to preserve confidentiality of any proprietary information that is disclosed.

Article 4.0 - General Terms and Conditions

4.1 Intellectual Property Rights

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

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

4.2 Confidentiality and Non-Disclosure of CMHC Information MANDATORY

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

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

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

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

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

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

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

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

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

4.3 Contractor's Indemnification

The Contractor agrees to indemnify, defend and hold harmless CMHC, its officers, employees and agents, for all loss, damages, costs, expenses, claims, demands, actions, suits or other proceedings of every nature and kind, including legal fees, arising from or in consequence of an act or omission of the Contractor related to the performance of the Services. To the extent that CMHC's actions contribute to the loss or damages, CMHC shall be responsible for its proportionate share of the liability. The indemnification applies whether the actions, suits or proceedings are brought in the name of CMHC or in the name of the Contractor. The Contractor shall be fully responsible to CMHC for the acts and omissions (including negligence) of its subcontractors and of persons directly or indirectly engaged by such subcontractors as if such acts and omissions were those of the Contractor.

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

4.4 Independent Contractor

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

Without limiting the generality of the foregoing, the Contractor shall retain complete control of and accountability for its employees, agents and contractors. The Contractor shall prepare and

process the payroll for its employees directly, and shall withhold and/or pay all applicable employment taxes and statutory payroll deductions required in respect of its employees. All personnel employed by the Contractor at the beginning of the Term shall, at all times, and for all purposes, remain solely in the employment of the Contractor.

4.5 Contractor's Authority

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

4.6 Conduct of Contractor and its Employees

The Contractor's conduct shall comply with all applicable laws of all jurisdictions in which it operates. In addition, the Contractor will act professionally and ethically at all times and will ensure that its employees are held to the highest standards of professional conduct. The Contractor will take measures to ensure that its employees comply with all provisions of the Contractor's collection policy in the performance of the Services. The Contractor specifically acknowledges that it will abide by the terms set out in the RFP, including but not limited to, Article 3.3.5, entitled, "Conduct Towards Debtor".

It is understood and agreed that all activities performed by the Contractor in conjunction with the collection of a CMHC account are performed as an independent contractor of CMHC. The Contractor shall not indicate that it is CMHC or an agent of CMHC but that it is a collection agency contracted by CMHC to collect on the account of the debtor. The Contractor shall not use the CMHC name nor imply that they are acting on behalf of CMHC when dealing with non-CMHC collection matters. Further, any other use of the CMHC name during the Term of this Agreement or upon termination hereof directly or indirectly which associates the name of the Contractor with CMHC is strictly prohibited.

4.7 Criminal Acts

The Contractor shall contact CMHC for instruction where there is any indication after an account has been assigned that a criminal act or other illegal or unusual circumstances were associated with a payment on the account balance.

4.8 Corporation Identification

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

4.9 Conflict of Interest

MANDATORY

The Contractor and its principals, employees, agents and subcontractors shall avoid any real, potential or apparent conflict of interest during the Term and shall declare any real, potential or apparent conflict of interest to CMHC immediately upon becoming aware of the conflict. The

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

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

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

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

4.10 Insurance

a) *The Contractor will provide and maintain Commercial General Liability insurance for a limit of \$5,000,000 per occurrence for bodily injury, or damage to property including loss of use of such property. This policy shall include the following extensions:*

- *cross liability including severability of interest clause*
- *personal injury (definition to include mental anguish, mental injury, shock, sickness, malicious prosecution, humiliation, invasion of right of private occupancy, wrongful entry or eviction, libel, slander, defamation or violation of right to privacy)*
- *blanket contractual liability*
- *non-owned automobile liability*
- *employer's liability (or confirmation that all employees are covered by WSIB, or equivalent)*
- *Canada Mortgage and Housing Corporation to be added as additional insured*
- *contractor's liability to include operations of independent contractors (if not provided then each subcontractor must provide a Certificate of Insurance confirming that they have liability insurance as detailed in the RFP)*
- *30 days prior written notice of cancellation to CMHC's Senior Advisor, Corporate Insurance, 700 Montreal Road, Ottawa, Ontario K1A 0P7*

b) *The Contractor shall carry a fidelity bond/employee dishonesty insurance in the amount of \$500,000, evidencing a third party extension citing CMHC as beneficiary with respect to services performed under the contract. The bond is to provide thirty (30) days prior written notice of cancellation to CMHC's Senior Advisor, Corporate Insurance, 700 Montréal Road, Ottawa, Ontario K1A 0P7. The Contractor shall ensure that the policy is renewed*

continuously for a minimum period of two (2) years following the expiration or early termination of this Agreement.

- c) The Contractor will provide and maintain Professional Liability insurance for a limit of not less than \$5,000,000. The policy will provide 30 days prior written notice of cancellation to Risk Management Consultant, 700 Montreal Road, Ottawa, Ontario K1A 0P7. Coverage is to include Contractor's employees and Contractor's Agreement employees (if applicable) as named insureds.*
- c) The Contractor will provide a Certificate of Insurance at least five (5) days prior to the Agreement commencement date, and any subsequent renewal, confirming the above insurance policies and evidencing that coverage has been placed with an Insurer licensed to do business in Canada. Upon receipt of the Certificate of Insurance CMHC reserves the right to request a Certified copy of the Contractor's policy for review.*

It shall be the sole responsibility of the Contractor to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated herein, is necessary for its own protection or to fulfill its obligation under the Agreement. Any such additional insurance shall be provided and maintained by the Contractor at its own expense.

4.11 No Limitation

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

4.12 Non-Compliance

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

4.13 Force Majeure

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

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

4.14 Non-Waiver

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

4.15 Laws Governing Agreement

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

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

4.16 Official Languages

MANDATORY

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

4.17 Access to CMHC Property

The Agreement does not provide automatic access to CMHC premises. Where specified in the Agreement, CMHC agrees to permit access by the Contractor's employees onto CMHC premises for the purpose of fulfilling its obligations as per the terms of this Agreement. However, CMHC reserves the right to refuse entry of Contractor's personnel for operational reasons. CMHC also will have the right at any time to remove from and/or refuse entry to its premises any incompetent or intemperate employee, or any employee who violates CMHC Safety and/or Security regulations or interferes with CMHC operations at the site.

4.18 Suspension of Services and Changes in Specifications

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

4.19 Extras

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

4.20 Assignment of the Agreement

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

4.21 Closure of CMHC Offices or Suspension of Operations

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

4.22 Severability

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

4.23 Scope of Agreement

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

4.24 Survival of Terms

The Contractors obligations under sections 3.5, 4.2, 4.3, 4.4, 4.5, 4.6, 4.8, 4.10, 4.11, 4.13, 4.14 and 4.15 shall survive the expiry or termination of this Agreement regardless of the method or manner in which it is terminated.

4.25 Binding

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

Article 5.0 - Agreement Administration

5.1 Contract Administrator

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

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

5.2 Notices

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

To CMHC at the following address:

Canada Mortgage and Housing Corporation

Suzie-Paula Costa / Betty-Anne Lalonde
Team Leaders, National Recovery Centre
700 Montreal Road
Ottawa, Ontario
K1A 0P7

Phone: 613-748-2130 / 613-748-4878

Fax: 613-748-2432

To the Contractor at the following address:

Phone: _____
Fax: _____
E-mail: _____

Article 6.0 - Documents comprising the Agreement

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

- (a) This form of Agreement as executed _____;
- (b) CMHC's Request for Proposal ("RFP") dated _____;
- (c) The Contractor's submitted Proposal dated _____; and

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

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

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

THE CONTRACTOR

CANADA MORTGAGE AND HOUSING CORPORATION

Name:

Name:

Title:

Title:

Date: _____

Date: _____

SCHEDULE "A"

TERMS OF REFERENCE

I. Statement of Work

SCHEDULE "B"

MANNER OF PAYMENT

If the Contractor is not in breach of any of its (his, her) obligations under this Agreement, the Contractor will be paid in accordance with the following schedule:

SECTION 7 APPENDICES

APPENDIX A

MANDATORY

6.3 Certificate of Submission

hereby:

Company Name

Procurement Business Number (PBN)

- I. agrees and understands that submission of a proposal constitutes acknowledgement that the proponent has read and, unless otherwise stated in the proponent's proposal, agrees to be bound by the terms and conditions in the draft Agreement in the event that the proponent is selected by CMHC to enter into a contract;
- II. agrees to comply with all of the draft Agreement MANDATORY clauses in an unaltered form as stated;
- III. offers to provide services and/or products to CMHC, as described in this proposal, on and if, as and when required basis, all in accordance with the Request for Proposal;
- IV. offers the terms as set out in this proposal, including any pricing proposal for a period of time of 120 days as specified in section 2 of the RFP;
- V. certifies that, at the time of submitting this bid, is in full compliance with all tax statutes administered by all provincial, territorial and federal Ministries of Finance and that, in particular, all returns required to be filed under all provincial and federal tax statutes have been filed, and all taxes due and payable under those statutes have been paid or satisfactory arrangements for their payment have been made and maintained;
- VI. represents and warrants that in submitting the proposal or performing the Agreement, there is no actual or perceived conflict of interest;
- VII. represents and warrants that in preparing the proposal, there was no actual or perceived unfair advantage due to the receipt of information regarding the RFP that was not made available to other proponents;
- VIII. certifies that this proposal was independently arrived at, without collusion;
- IX. certifies that no gratuities or gifts in kind were offered to any CMHC employee, Board member or Governor-in-Council appointee; and intended, by the gratuity, to obtain a Agreement or favourable treatment under an Agreement;
- X. authorizes CMHC to conduct such investigation as it deems appropriate to verify the contents of the proposal;
- XI. certifies, unless explicitly outlined in the proposal, that all pricing information is based on service provision which, at a minimum, fully meets all of the existing service standards as outlined in the Statement of Work;
- XII. (for sole proprietorships and partnerships) provide permission herewith to CMHC to undertake credit checks on the individuals listed below (names, signatures and home addresses of each must be provided).
- XIII. agrees that, in the event of acceptance of this proposal, it will enter Agreement negotiations in accordance with the RFP, and upon entry into an Agreement with CMHC, it will commit to providing the full scope of services identified in the Agreement.
- XIV. agrees that all responses and related materials become the property of CMHC, will not be returned and CMHC will not reimburse the proponent for any work related to, travel or materials supplied in the preparation of the RFP response.
- XV. agrees that it and any other persons for which it is responsible, who are to perform the work as stated in this RFP, at the request of CMHC will comply with security screening as deemed appropriate;

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

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

Corporation/Individual:

Signature of Signing Authority

Name and Title of Signing Authority

Declaration: I have the authority to bind the company.

APPENDIX B

6.4 Evaluation Table

EVALUATION CRITERIA	A	B	C	D
	WEIGHT 100 Total	POINTS 1 to 10	UPSET SCORE	SCORE AxB
Proponent's Qualifications (4.5) The proponent will be evaluated based on its response to section 4.7 and the full description of the company, office locations, geographical coverage, employee background checks, licensing, bilingual capacity, legal counsel, analytical tools, technical and IT requirements, qualifications of personnel, and provision of references.	20		140	
Response to Statement of Work (4.7) The proponent must demonstrate a clear understanding of the project objectives and requirements. The proponent must provide a detailed response to each item listed in section 3.0, demonstrating how it meets each requirement (excluding sections 3.3.4, 3.3.6, and . 3.3.10)	40		280	
Project Management Plan (4.8) The proponent must provide a detailed response to each item in section 4.8.	30		210	
Pricing Proposal (4.11)	10			
TOTALS	100			

APPENDIX C

6.5 Mandatory Compliance Checklist

- | | |
|---|---|
| <input type="checkbox"/> <i>Submission Deadline</i> | <i>Section 2.3.1</i> |
| <input type="checkbox"/> <i>Offering Period</i> | <i>Section 2.7</i> |
| <input type="checkbox"/> <i>Proponent's Qualifications</i> | <i>Section 4.5</i> |
| <input type="checkbox"/> <i>Response to Statement of Work</i> | <i>Section 4.7</i> |
| <input type="checkbox"/> <i>Project Management Plan</i> | <i>Section 4.10</i> |
| <input type="checkbox"/> <i>Pricing Proposal</i> | <i>Section 4.11</i> |
| <input type="checkbox"/> <i>Certificate of Submission</i> | <i>(Section 7 Appendices, Appendix A)</i> |