

REQUEST FOR PROPOSALS (“RFP”)

RFP # 2021-3259

1. Title **INTERNAL AUDIT SERVICES**

2. Introduction The Canada Deposit Insurance Corporation (“**CDIC**”) has a requirement to establish a contract for internal audit services, as further described in Schedule “A” (Description of Services).

The top ranked bidder will be invited to enter into negotiations with CDIC to finalize an agreement for the provision of the services in accordance with the process set out in this RFP, and any document referenced by CDIC in this RFP.

CDIC is a federal Crown corporation with headquarters in Ottawa and is responsible for providing insurance against the loss of part or all of deposits and for promoting and otherwise contributing to the stability of the financial system in Canada. These objectives are pursued for the benefit of persons having deposits with CDIC member institutions and in such a manner as will minimize the exposure of CDIC to loss. CDIC is also the resolution authority for CDIC member institutions.

Further information about CDIC can be obtained at www.cdic.ca.

3. Trade Agreements This procurement is covered by Chapter Five (Government Procurement) of the Canadian Free Trade Agreement (CFTA).

4. Summary of Key RFP Dates and Defined Terms The following capitalized terms shall have the following meanings where used in this RFP:

Date of Issuance:	October 26, 2021
Deadline for Submission of Questions:	November 8, 2021, 2:00 p.m. Ottawa local time
CDIC Response to Questions:	By November 22, 2021
Deadline for Proposals:	December 13, 2021, 2:00 p.m. Ottawa local time
Invitation to Presentation:	By January 10, 2022
Presentation:	Week of January 24, 2022
Anticipated Ranking and Commencement of Negotiations with top ranked Bidder	February 2022
Proposal Validity Period:	120 days from Deadline for Proposals
Proposal Delivery Address:	procurement@cdic.ca
CDIC Procurement & Contracting Advisor:	Judy Ann Hollander

Note: The RFP timetable is tentative only and may be changed by CDIC at any time.

5. Incorporated Schedules and Forms

In addition to the main body of this RFP, the following schedules and information are incorporated by reference for the following purposes:

Goods and Services Requirements:	See Schedule "A" (Description of Services)
Evaluation and Selection:	See the main body of this RFP and: <ul style="list-style-type: none"> • <u>Schedule "B"</u> (Evaluation and Selection Process) • <u>Schedule "C"</u> (Technical Offer and Presentation Requirements and Evaluation) • <u>Appendix "C-1"</u> (Technical Offer Submission Form) • <u>Appendix "C-2"</u> (Technical Offer) • <u>Schedule "D"</u> (Financial Offer Requirements and Evaluation) • <u>Appendix "D-1"</u> (Financial Offer Submission Form) • <u>Appendix "D-2"</u> (Financial Offer)
Required Forms:	See the main body of this RFP and <u>Schedule "E"</u> (Required Forms)
Form of Agreement:	See this RFP and Schedule "F" (Form of Professional Services Agreement)
Term of Agreement:	Three (3) year term, plus two (2) additional one-year option periods.

6. Requests for Clarification

1. Any request for clarification of the contents of, or interpretation, correction, or questions or concerns relating to this RFP should:
 - i) be made in writing prior to the Deadline for Submission of Questions
 - ii) be addressed only to the Procurement & Contracting Advisor named above
 - iii) list the RFP number in the subject line; and
 - iv) be addressed by electronic mail to the Proposal Delivery Address.
2. Answers to any requests will be made available as written addenda to this RFP.
3. Any attempt by a bidder or any of its employees, agents, contractors or any other representatives to contact any person at CDIC other than the Procurement & Contracting Advisor, or to contact the Procurement & Contracting Advisor other than in writing regarding this RFP, may in CDIC's sole and absolute discretion, result in the bidder's disqualification and the rejection of its proposal.
4. Nothing in this RFP limits CDIC's right, in its sole and absolute discretion, for which CDIC shall have no obligation, to communicate with any bidder regarding any matter in the normal course of business from any contractual relationship for the provision of any other or similar goods or services independently of this RFP.
5. It is the sole responsibility of a bidder to avail itself of any information it may require, obtain any clarification of the requirements or other matters in this RFP and make their own investigations, projections and conclusions prior to submitting a proposal.

7. Proposal Delivery

1. Proposals must be received at the Proposal Delivery Address no later than the Deadline for Proposals with the time of delivery confirmed by a CDIC authorized representative. It is the bidder's responsibility to ensure that the proposal is delivered by the Deadline for Proposals at the Proposal Delivery Address. For proposals received by e-mail, the time of delivery shall be the time the e-mail is received in the inbox of the email address provided as the Proposal Delivery Address.
 2. Proposals received after the Deadline for Proposals may be deemed to be non-compliant and may not be given further consideration. CDIC may, in its sole and absolute discretion, accept a proposal delivered to the Proposal Delivery Address after the Deadline for Proposals if CDIC deems it to be in CDIC's best interests and the bidder demonstrates to CDIC's satisfaction that the proposal:
 - i) would have been delivered to the above address by no later than the Deadline for Proposals but for circumstances beyond the bidder's control; and
 - ii) would not otherwise confer a substantive advantage on the bidder if accepted by CDIC.
 3. CDIC may only accept proposals submitted at the Proposal Delivery Address on the first page of this RFP. Proposals submitted by another means or at any other physical location (as applicable) may be deemed by CDIC to be non-compliant and rejected.
 4. Bidders may, in writing, revoke amend and/or re-submit a proposal at any time up to the Deadline for Proposals. Any amendment should clearly indicate which part of the proposal the amendment is intended to amend or replace. Bidders may, in writing, revoke a proposal at any time (even after the Deadline for Proposals).
-

8. Proposal Format

1. Proposals are to be submitted in electronic format in either English or French to the Proposal Deliver Address as follows:
 - a) arranged so that,
 - i. the "**Technical Offer**", responding to the technical requirements set out in Schedule "C" (Technical Offer and Presentation Requirements and Evaluation); and
 - ii. the "**Financial Offer**", responding to the financial requirements set out in Schedule "D" (Financial Offer Requirements and Evaluation)

shall be submitted in two (2) separate attachments to the email

It is possible due to file size that the proposal may not be received. The maximum file size which CDIC is able to receive via email is 20 MB, It is highly recommended to contact the Procurement and Contracting Advisor by a separate email to the Proposal Delivery Address to advise that the proposal has been sent and confirm CDIC's receipt.

9. Required Documents

1. Bidders should include with their proposal any forms listed in Schedule "E" (Required Forms).
2. Where a bidder fails to include any of the forms listed in Schedule "E" (Required Forms) in its proposal, CDIC may, in CDIC's sole and absolute discretion (but provided that it treats all bidders in the same manner):

- i) require the submission of such documents within a prescribed timeframe satisfactory to CDIC; and
 - ii) reject or refuse to consider any proposal from a bidder who fails to comply with any such submission requirement.
-

10. Evaluation and Selection

Proposals will be evaluated in accordance with Schedule "B" (Evaluation and Selection Process).

The successful bidder(s) will be notified via email to the contact person at the email address provided by the bidder in Appendix "C-1" – Technical Offer Submission Form.

Following the award of an agreement(s) resulting from this RFP, CDIC will inform unsuccessful bidders of the results.

11. CDIC's Reserved Rights

Notwithstanding anything to the contrary in this RFP, CDIC reserves the right in its sole and absolute discretion to exercise any or all of the following rights, alone or in combination with each other, to:

1. Evaluate or accept proposal(s):
 - i) which in CDIC's sole and absolute discretion substantially comply with the requirements of this RFP; or
 - ii) in whole or in part without negotiations.
2. Enter into negotiations with:
 - i) any or all bidders on any or all aspects of their proposal, to ensure CDIC's operational requirements are met and to promote best value
 - ii) any or all bidders, or any prospective persons or entities capable of delivering the required services but who may not have submitted a proposal in response to this RFP in the event, in CDIC's sole and absolute discretion, no proposals meet the requirements of this RFP; or
 - iii) tied bidders in the event of a tie between two (2) or more bidders.
3. Conduct a best and final offer process:
 - i) with any or all bidders in which bidders are invited to revise their financial offers in circumstances where CDIC deems it appropriate in CDIC's sole and absolute discretion.
4. Cancel, modify, re-issue or suspend:
 - i) any aspect of this RFP, in whole or in part, at any time, for any reason
 - ii) the schedule for this RFP, including without limitation the Deadline for Proposals stated above and any other activity or date stipulated in this RFP, in whole or in part, at any time, for any reason; or
 - iii) this RFP in its current or modified form and invite proposals from only the bidders who submitted proposals in response to this RFP where to do so is deemed, in CDIC's sole and absolute discretion, to be in CDIC's best interests.
5. Seek clarification, validate or take into account:

- i) independently or with the help of the bidder, any or all information provided by the bidder with respect to this RFP and, for this purpose, disclose any or all information provided by the bidder to a third party, subject to CDIC obtaining appropriate assurances of confidentiality from those third parties.
6. Reject or refuse to consider any proposal (or otherwise exclude a bidder that submitted any proposal):
- i) if, in CDIC's sole and absolute discretion, it fails in any material respect to comply with the requirements of this RFP
 - ii) containing false, misleading or misrepresented information
 - iii) in the event any matter causes or is likely to cause, in CDIC's sole and absolute discretion, a conflict of interest in relation to the selection of any proposal
 - iv) from a bidder who colludes with one or more other bidder(s) in the preparation of any proposal
 - v) from a bidder who fails to cooperate with CDIC in any attempt by CDIC to clarify or validate any information provided by the bidder or who fails to provide accurate and complete documentation as directed by CDIC
 - vi) from a bidder against whom economic sanctions have been imposed by the Government of Canada
 - vii) from a bidder with whom CDIC has previously terminated an agreement for any reason, or currently has a commercial or legal dispute that, in CDIC's sole and absolute discretion, would impair CDIC's ability to enter into the productive business arrangement contemplated by this RFP
 - viii) from a bidder failing to have the capacity to contract with CDIC, or Her Majesty, or both
 - ix) if deemed by CDIC, in its sole and absolute discretion, as necessary to safeguard Canada's security interests or if the bidder is prohibited from receiving any benefits under an agreement between Her Majesty and any other person by virtue of Section 750(3) of the *Criminal Code of Canada*
 - x) from a bidder on any of the following grounds if there is supporting evidence: (i) bankruptcy or insolvency; (ii) false declarations; (iii) significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts; (iv) final judgments in respect of serious crimes or other serious offences; (v) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the bidder; or (vi) failure to pay taxes
 - xi) if, in CDIC's sole and absolute discretion, it contains a mathematical error(s) that results in any discrepancy, inconsistency, vagueness, ambiguity, uncertainty or conflict related to prices.
7. Award:
- i) one or more agreements in connection with this RFP.
8. Waive:
- i) irregularities, informalities, non-conformity, non-compliance, omissions and defects in any proposal where, in CDIC's sole and absolute discretion, they do not materially affect the ability of the bidder to provide the goods or services required by this RFP.
9. Correct:
- i) Mathematical errors in Financial Offers.

The exercise of any of the above rights or sub-rights of CDIC shall not be a waiver or limit the right of CDIC to exercise any other rights.

12. Limitation of Liability

1. By submitting a proposal, the bidder acknowledges and agrees to the requirements of this Section 12.
 2. The bidder acknowledges and agrees that in no event shall CDIC, its employees, officers, directors, consultants and advisors be liable or responsible for:
 - i) any damages, including without limitation direct, indirect, consequential, incidental, general, special or exemplary damages, any economic losses, any lost profits, opportunities, expenses, costs or any other losses arising out of, in connection with, or in any way related to, any bidder's participation in this RFP or any acts, omissions or errors, including negligence of CDIC, its employees, officers, directors, consultants and advisors; or
 - ii) any actions of any bidder in relation to CDIC, or another bidder, or any third party, in receiving and responding to this RFP.
 3. Without limiting the above, expenses or costs incurred by any bidder in any way related to or associated with this RFP, including without limitation the preparation, submission or evaluation of proposals, the provision of information to CDIC or CDIC's authorized representative for a determination of any bidder's technical, managerial or financial capabilities, any expenses related to travel or other costs related to the presentation stage (if applicable), and the satisfaction, fulfillment or completion of any conditions precedent to any agreement with CDIC to deliver the goods and services required by this RFP, are a bidder's sole responsibility and may not be charged to CDIC in any way.
 4. Without limiting any rights CDIC may reserve elsewhere in this RFP or may have otherwise at law, CDIC may, in its sole and absolute discretion, elect to exercise its sole and absolute discretions pursuant to this RFP, without any liability or obligation to any bidder.
 5. If any bidder is determined by a court or trade tribunal of competent jurisdiction to be entitled to compensation arising from this RFP or for the actions of CDIC, its employees, officers, directors, consultants or advisors in relation to this RFP, including without limitation any exercise of CDIC's sole and absolute discretion bidders expressly acknowledge and agree by submitting a proposal that the total maximum compensation for, without limitation, any and all damages, economic losses, profits, opportunities, expenses, costs, or other losses, either individually or cumulatively, is limited to one thousand dollars (\$1,000.00 CAD).
-

13. Governing Law

This RFP is governed by and construed in accordance with the laws in force in the Province of Ontario, Canada and, subject to the jurisdiction of the Canadian International Trade Tribunal, Ontario courts have exclusive jurisdiction to hear any disputes under this RFP.

14. Resulting Agreements

1. The resulting agreement will include:
 - i) the Statement of Work (attached to this RFP as Schedule "A" (Description of Services)
 - ii) the form of agreement attached to this RFP as Schedule "F" (Form of Professional Service Agreement)

- iii) any other RFP document CDIC deems appropriate to include as part of the resulting agreement(s); and
- iv) the documents submitted with the successful proposal,

except to the extent otherwise agreed following negotiations, if any.

15. Debriefing

After notification of the results of the RFP process, bidders may request a debriefing. Bidders should make the request to the Procurement and Contracting Advisor within fifteen (15) business days of receipt of the notification. The debriefing may be in writing, by telephone or in person.

16. Disclaimer

CDIC makes no representation or warranty as to the accuracy or completeness of any information provided by it in connection with this RFP and disclaims all express and implied representations, warranties, and conditions in connection with this RFP. Any quantities shown or data contained in this RFP or provided by way of addenda are estimates only and are for the sole purpose of indicating to bidders the general scope of the Services. Bidders should make their own investigations, projections and conclusions. Bidders should consult their own advisors to verify independently the information contained in this RFP and to obtain any additional information that they may require, prior to submitting a proposal.

17. No Assumptions or Conditions

All prices contained in the Financial Offer shall be fixed prices and not subject to change after award of an agreement due to incorrect assumptions or conditions made by any bidder, whether or not these conditions or assumptions are stated in the bidder's proposal. To the extent a bidder requires additional information in order to provide fixed prices; the bidder should seek clarifications from CDIC, as described in Section 6 above, as part of this RFP process.

18. General

1. In the event of any discrepancy, inconsistency or conflicts between the wording of the English or French version of this RFP or any related documents, the wording of the English version shall prevail.
2. CDIC makes no guarantee of the value or volume of work to be assigned to the successful bidder, if any. The Agreement executed with the successful bidder may not be an exclusive agreement for the goods and/or services. CDIC may contract with others for the same or similar goods and/or services to those described in this RFP or may obtain the same or similar goods and/or services from internal sources.
3. CDIC agrees to keep in confidence any information contained in a proposal that is clearly marked "confidential". Notwithstanding the foregoing, the submission of a proposal by a bidder constitutes an acknowledgement by that bidder that CDIC is subject to the *Access to Information Act* (Canada), as amended from time to time, and that, as a consequence, CDIC may be required to disclose certain information contained in its records pursuant to a request for access made under that Act.
4. CDIC requires any persons supplying services to or performing any work for CDIC to conduct their affairs to avoid any conflict of interest. A conflict of interest includes any situation where a bidder has or may have an unfair advantage or where other commitments, relationships or interests could or could be seen to compromise a bidder's performance of its obligations to CDIC. To the extent that a bidder may be

in a conflict of interest, that bidder must include a description of such conflict of interest in its proposal.

5. If CDIC is of the belief that a bidder may be in a conflict of interest, CDIC may disqualify the proposal submitted by the bidder or terminate any agreement with that bidder pursuant to this RFP.

**19. Not a Tender,
No "Contract A
/ Contract B"**

1. Procurement Process Non-Binding

This procurement process is not intended to create and will not create a formal, legally binding bidding process and will instead be governed by the law applicable to direct commercial negotiations. For greater certainty and without limitation:

- i) this RFP is not an offer to enter into either a bidding contract (often referred to a "Contract A") or an agreement to acquire goods or services from the vendor (often referred to as "Contract B"). Neither this RFP nor a bidder's proposal shall create any legal relationship, contractual rights or obligations whatsoever on any of CDIC or any bidder, save and except related to limitation of liability
- ii) By submitting a proposal in response to this RFP, the bidder acknowledges and accepts that it waives any right to make any claims (in contract, tort, or otherwise) against the other with respect to any part of CDIC's conduct of the RFP process, CDIC's award of a contract, failure to award a contract or failure to honour a proposal submitted in response to this RFP; and
- iii) Bidders should indicate in the proposal those areas they wish to address through the negotiation process, subject to the remaining provisions of this RFP.

2. No Contract until Execution of Written Agreement

This RFP process is intended to identify prospective bidder(s). The successful bidder with whom CDIC will enter into a Contract as a result of this RFP for the purposes of procuring the Services will be identified as the "Consultant". No legal relationship or obligation or contractual rights or obligations regarding the procurement of any good or service will be created between the bidder and CDIC by this RFP process until the successful negotiation and execution of the Contract for the acquisition of such goods and/or services.

3. Non-Binding Price Estimates

Bidder proposals are revocable by bidders. CDIC is under no obligation to continue to evaluate or consider any proposal that the bidder seeks to modify following the Deadline for Proposals (including any change in pricing that is adverse to CDIC). Proposals and related information about bidders will be assessed during the evaluation of proposals and the ranking of bidders, and accordingly, misleading or incomplete information, including withdrawn or altered proposal information or pricing, could adversely impact any such evaluation (or result in CDIC revisiting that evaluation) and may result in disqualification (in CDIC's sole discretion).

[END OF MAIN BODY OF RFP]

Schedule "A"

Description of Services

1. TITLE

Internal Audit Services

2. BACKGROUND

CDIC's Internal Audit ("IA") department provides CDIC's Audit Committee and Management with independent and objective assessments of controls, risks and governance. IA evaluates the efficiency and effectiveness of the Corporation's systems of management control and recommends improvements towards the achievement of objectives. The independence of the IA function is established through its reporting relationship to the Audit Committee and by adherence to professional standards of the Institute of Internal Auditors ("IIA").

IA's responsibilities and mandate are outlined in the Internal Audit Charter. IA conducts its activities in accordance with current internal audit standards established by Canada's Treasury Board Secretariat ("TBS"), adheres to the mandatory guidance of the IIA and complies with subsection 131 (3) of Part X (Crown Corporations) of the *Financial Administration Act*.

The IA function prepares a risk-based audit plan that is updated semi-annually. The risk-based audit plan includes assurance, consulting, strategic/ advisory engagements as well as Internal Controls over Financial Reporting ("ICFR") control testing.

While the function is performed by internal resources, support from external resources is required to provide advice on specialized topics, conduct audits that require specialized expertise and provide support to IA so that engagements can be completed in a timely manner. All audit services and engagements are the responsibility of CDIC's Chief Internal Auditor ("CIA") and all audit services provided to CDIC will be under the direction of the CIA.

CDIC anticipates a requirement for two (2) internal audit engagements/projects per year as well as ad hoc advisory services.

3. OBJECTIVES

CDIC has an operational requirement to obtain independent and objective assurance and advisory Services that are designed to add value and improve CDIC operations. The Services include, but are not limited to:

- i. advice on specialized topics
- ii. resource augmentation; and
- iii. resource(s) with specialized expertise for specific project engagements

as further described in Section 4 below.

(For the purpose of this Schedule "A" (Description of Services), the **Consultant** shall mean the bidder that is awarded the Services).

4. REQUIRED SERVICES

The Consultant shall provide IA services to CDIC (the "**Services**"). Services can be broken into the following categories:

1. IA Advisory Services

The deliverables for IA Advisory Services may include but are not limited to:

- a) The Consultant shall provide subject matter expertise, including sound and strategic expert advice on topics such as, cyber and data security, data strategy, system implementation and third-party risk, as well as other topics, as may be required by CDIC. Requirements may include providing advice on Enterprise Risk Management (“**ERM**”) maturity models, best practices for cloud computing, and System and Organization Controls (SOC) report review techniques. CDIC estimates the level of effort for a resource for such services to be generally one day or less.
- b) The Consultant shall assign dedicated resources to support CDIC with any requirements for Advisory Services.
- c) The Consultant shall ensure that resources providing Advisory Services have significant expertise and subject matter knowledge relevant to the subject area they are advising, such as understanding and experience with relevant security requirements for Crown Corporations.

Subject areas may include, but are not limited to the following:

- i) Cyber and data security
- ii) Cloud computing controls
- iii) System Implementation
- iv) Data strategy
- v) IT general controls and IT governance
- vi) Application controls
- vii) Change management, including change and patch management
- viii) Business continuity and disaster recovery
- ix) New technology and AI
- x) Third Party Risk
- xi) Security requirements for Crown Corporations such as ITSG-33 and National Institute of Standards and Technology (“**NIST**”) and other relevant federal policies and processes; and
- xii) Any other topic or subject area CDIC may require.

2. Resource Augmentation Services (in conjunction with CDIC IA)

CDIC may undertake projects that may require either an individual resource or a team of resources to work in conjunction with CDIC. CDIC may also require resources to have additional skills or subject matter knowledge or expertise for some engagements.

The deliverables for Resource Augmentation Services, (work in conjunction with CDIC IA) may include but are not limited to:

- a) The Consultant shall provide individual resources or a team of resources, as may be required and determined by CDIC, and shall ensure all resources are highly skilled and have the competencies required for the work.
 - i. Assigned resources would generally be required to participate on an assurance or consulting engagement with a CDIC IA employee.
 - ii. Assigned resources will be requested to perform activities such as, completing risk assessments, reviewing procedures and policies, documenting process walkthroughs, creating flowcharts, assisting with interviews, analyzing data, and conducting reviews of industry best practices.

- b) The Consultant shall be required to provide detailed timesheets outlining the daily tasks performed by each resource at time of invoicing.

3. Project Engagement Services

CDIC may undertake projects that will require an individual resource or a team of resources to complete a specific engagement, a “**Project**”. Resources will need to have additional skills or subject matter knowledge or expertise for some engagements.

Such Projects would require resources to carry out an assurance or consulting engagement for a limited engagement term.

The deliverables for Project Engagement Services may include but are not limited to:

- a) Working papers, reports, recommendations, conclusions, opinions, ratings, benchmarking information, and analyses.
- b) For assurance engagements the Consultant shall produce a full set of cross-referenced working papers that comply with IIA Standards, including documented interview notes and supporting documents and will provide them to the CIA according to the timing and in the format that has been agreed upon with CDIC, and prior to report issuance, working papers requirements may include a risk and control summary, detailed audit program, data analysis and other working papers.
- c) For consulting engagements, the Consultant shall produce cross-referenced working papers supporting conclusions and recommendations and will provide them to the CIA according to the timing and format that has been agreed upon with CDIC, and prior to report issuance.

5. SERVICE REQUEST PROCESS

A “**Service Request**” is a document issued by CDIC to the Consultant that includes instructions and applicable CDIC service requirements, which may result in a Task Authorization to commence to work.

1. Resource Augmentation Services:

The actual scope, resource category, qualifications, language requirements, level of effort and location of work for Resource Augmentation services will be identified at the time of requirement and described in a written Service Request.

CDIC will issue a Service Request to the Consultant that includes instructions and applicable CDIC service requirements. The Consultant shall respond to CDIC’s Service Request with a proposal that includes details of the resource(s) assigned to perform the work, resume(s) (where required by CDIC) and applicable hourly rate(s) in accordance with the rates in effect at the time, as set out in the Contract.

2. Project Engagement Services:

The actual engagement scope, objectives, deliverables, working paper requirements, resource qualifications, reporting requirements and deadlines for the Project will be identified at the time of requirement and described in a written Service Request. At a minimum, the Consultant will be required to provide weekly status reports.

CDIC will issue a Service Request to the Consultant that includes instructions and applicable CDIC service requirements. The Consultant shall respond to the Service Request with a proposal that

includes details of the resource(s) assigned to perform the work, a workplan, timelines and level of effort, resumes (where required by CDIC) and detailed project costs.

6. OTHER REQUIREMENTS

CDIC shall retain ownership of all workpapers created by the Consultant and all copies of working papers must be provided to CDIC at the end of each engagement.

1. Compliance with Standards

The Consultant shall ensure there are no real, apparent or potential conflict of interest for any consulting engagements accepted by the Consultant.

The Consultant shall ensure all resources are competent to perform assigned work and avoid any real, apparent or potential conflicts of interest.

The Consultant will be required to certify compliance with CDIC's policies on COVID vaccination as in place at the time of Contract Award.

The Consultant shall ensure all of the services and work performed by the Consultant comply with the *International Standards for the Professional Practice of Internal Auditing* established by the IIA, and other standards generally applicable to the auditing profession.

7. RESOURCE CATEGORIES AND MINIMUM QUALIFICATIONS

The following resource categories and their titles may vary. The following describes the types of resources, their respective minimum qualifications to perform work, and areas of responsibility.

1. Partner/Associate Partner

A Partner/Associate Partner shall:

- a. Possess a minimum of ten (10) years of **audit experience** within the past twelve (12) years
- b. Possess a university degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution
- c. Possess professional designation(s) that are relevant to the services
- d. Be independent of CDIC; and
- e. Be responsible for areas such as:
 - i. Overseeing and ensuring the quality of work completed by the Manager/Senior Manager; and
 - ii. Providing guidance, direction and opinions on specialized areas or complex issues.

2. Senior Manager

A Senior Manager shall:

- a. Possess a minimum of seven (7) or more years of **internal audit experience** within the past twelve (12) years
- b. Possess a university degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution (as determined by one of the agencies referred by CICIC)
- c. Possess professional designation(s) that are relevant to the Services
- d. Be independent of CDIC; and
- e. Be responsible for areas such as:

- i. Overseeing and ensuring the quality of work completed by a Manager, Senior Associate/Auditor and/or Associate/Auditor; including review their working papers
- ii. Ensuring work has been carried out in accordance with IIA and TBS standards
- iii. Approve Audit programs and test plans
- iv. Analysis and research of complex issues/processes
- v. Providing status updates to CDIC
- vi. Identifying issues impeding successful completion of the engagement and proposing, developing and implementing an approach to solve them
- vii. Finalizing reports; and
- viii. Presenting findings.

3. **Manager**

A Manager shall:

- a. Possess a minimum of five (5) years of **internal audit experience** within the past ten (10) years
- b. Possess a university degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution (as determined by one of the agencies referred by CICIC)
- c. Possess or be actively working towards obtaining any relevant professional designation(s) that are applicable to the Services
- d. Possess expert knowledge of the IIA and TBS standards
- e. Be independent of CDIC; and
- f. Be responsible for areas such as:
 - i. Overseeing and ensuring the quality of work completed by a Senior Associate/Auditor and/or Associate/Auditor; including review their working papers
 - ii. Performing and documenting analysis and research of complex issues/processes
 - iii. Identifying and documenting risks and controls
 - iv. Creating Audit Programs
 - v. Providing status updates to CDIC
 - vi. Drafting reports; and
 - vii. Presenting findings.

4. **Senior Associate/Auditor**

A Senior Associate/Auditor shall:

- a. Possess a minimum of four (4) years of **internal audit experience** within the past seven (7) years
- b. Possess a university degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution (as determined by one of the agencies referred by CICIC)
- c. Possess or be actively working towards obtaining any relevant professional designation(s) that are applicable to the Services
- d. Understand and be able to apply of IIA an TBS standards
- e. Be independent of CDIC; and
- f. Be responsible for areas such as:
 - i. Supervising the work completed by an Associate/Auditor
 - ii. Documenting working papers according to standards
 - iii. Documenting risks and controls
 - iv. Analyzing data in Excel
 - v. Preparing and documenting interviews
 - vi. Providing status updates to CDIC; and
 - vii. Drafting reports/findings.

5. **Associate/Auditor**

An Associate/Auditor shall:

- a. Possess a minimum of two (2) years of **internal audit** experience within the past five (5) years
- b. Possess a university degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution (as determined by one of the agencies referred by CICIC)
- c. Possess or be actively working towards obtaining professional designation(s) that are relevant to the services
- d. Possess working knowledge and understanding of IIA standards
- e. Provide support to the Senior Associate/Auditor and/or internal resources
- f. Be independent of CDIC; and
- g. Be responsible for areas such as:
 - i. Conducting and documenting analysis and research
 - ii. Analyzing data in Excel
 - iii. Conducting audit testing
 - iv. Documenting working papers according to standards
 - v. Documenting interview notes; and
 - vi. Assisting with the completion of engagements.

6. Subject Matter Expert

A subject matter expert shall:

- a. Possess a minimum of ten (10) years of experience in **subject area** within the past twelve (12) years
- b. Possess a university degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution (as determined by one of the agencies referred by the CICIC)
- c. Where applicable, possess or be actively working towards obtaining any relevant professional designation(s) that are applicable to the services
- d. Be independent of CDIC; and
- e. Be responsible for areas such as:
 - i. Providing guidance, direction and opinions on specialized areas or complex issues.

8. ADDITIONAL CONSULTANT RESPONSIBILITIES

1. Resources

The Consultant shall assign a dedicated Partner/Associate Partner and a Senior Manager to manage the relationship and oversee the Services performed under this Statement of Work.

The Consultant shall only provide highly skilled personnel with relevant experience and expertise to deliver the Services. The Consultant may subcontract resources with specialized third-party expertise, subject to CDIC's prior written consent and the terms of the Professional Services Agreement executed between the Consultant and CDIC for the provision of the IA Services (the "**PSA**").

The Consultant shall use best efforts to provide stability in staffing and maintain continuity of resources assigned to the PSA. In the event a resource is required to be replaced, any proposed replacement must meet the applicable foregoing qualifications requirements and shall be subject to the terms of the PSA (including without limitation Article 5 (CDIC's Responsibilities)). Without limiting the foregoing, approval of such proposed resources will be within CDIC's sole and absolute discretion.

2. Contacts and Senior Executive Meetings

Following the award of the PSA, the Consultant shall designate the following representatives to support the Contract and CDIC shall designate a liaison to each representative. The same individual may be assigned by the Consultant to one or more roles which are outlined below:

Contact	Role
Senior Executive Contact Partner/Associate Partner	<ul style="list-style-type: none">attend business meetings to discuss agreement and relationship management issuesaddress problems and deficiencies escalated with respect to the agreement
Internal Audit Administration Contact Senior Manager	<ul style="list-style-type: none">point of contact for all audit administration activities
Contract Representative	<ul style="list-style-type: none">point of contact for all agreement administration issues

In addition to the meetings described in this section, the Consultant's representatives shall, from time to time be required to participate in meetings with CDIC representatives and other parties involved in the management of the engagements either by telephone, virtually or in person. All travel must be pre-authorized by CDIC.

3. Service Level

The Consultant shall meet or exceed the following minimum service level standards ("SLAs") for all non-urgent requirements:

Service Category	Requirement	Minimum Service Level Consultant Response
Advisory Services	All requests	Within two (2) Business Days
Resource Augmentation	All requests	Within three (3) Business Days
Project Engagement	All requests	As requested by CDIC in the Service Request

Certain requirements may be of an immediate or urgent nature. The Consultant must be capable of handling urgent requirements when specified by CDIC.

9. CDIC RESPONSIBILITIES

CDIC will ensure the Consultant has access to CDIC employees and follow-up will be coordinated with CDIC IA employees.

CDIC will be responsible for the translation of any deliverables from English to French.

10. LOCATION OF WORK

The Consultant is expected to work from its premises; however, Resource Augmentation Services may require that resources work from CDIC offices, provided it complies with guidance from the local public health authority.

The Consultant's key resources assigned to CDIC will be required to participate in meetings with CDIC, either by telephone, virtually, or in person at CDIC headquarters in Ottawa, Ontario.

11. TRAVEL AND LIVING

All travel must be pre-authorized by CDIC in writing.

12. OFFICIAL LANGUAGES REQUIREMENT

All deliverables shall be in English.

Some requirements may require bilingual resources. In such cases, the Consultant shall provide resources fluent in both official languages and otherwise in accordance with the *Official Languages Act*. CDIC will specify any language requirement in advance.

13. SECURITY CLEARANCE

It is a mandatory requirement for all Consultant resources to (i) be legally entitled to work in Canada and (ii) to possess a valid security clearance granted by the Industrial Security Program of Public Works and Government Services Canada at the Reliability Status level, at a minimum, to perform any work under any resulting agreement.

Consultant resources who do not have a valid security clearance at the required level or higher will need to obtain the required security clearance prior to commencement of any Services.

[END OF SCHEDULE "A" (DESCRIPTION OF SERVICES)]

Schedule “B”

Evaluation and Selection Process

1. SELECTION METHOD

Without limitation to Section 11 (CDIC’s Reserved Rights) of the RFP, CDIC may, in its sole and absolute discretion, reject or refuse to consider any proposal if CDIC determines that the information, statements or supporting material in the Technical Offer or the Financial Offer are inconsistent with, or otherwise fail to respond to, any of the requirements of the RFP.

All proposals will be examined in accordance with the following process:

Step 1: Confirmation of Compliance to the Mandatory Requirements

Technical Offers will be reviewed for compliance with the **Mandatory Requirements** described in Schedule “C” (Technical Offer and Presentation Requirements and Evaluation) of the RFP to confirm that the information, statements and supporting material in the bidder’s Technical Offer substantiate a compliant response. Subject to CDIC’s reserved rights (including those at Section 11 (CDIC’s Reserved Rights), Mandatory Requirements will be confirmed on a simple pass or fail basis.

If a proposal fails to satisfy any of the Mandatory Requirements, CDIC may issue the bidder a rectification notice identifying the deficiencies and providing the bidder an opportunity to rectify the deficiencies. If the bidder fails to satisfy the Mandatory Requirements within the Rectification Period, its proposal will be rejected and will receive no further consideration. The Rectification Period will begin to run from the date and time that CDIC issues a rectification notice to the bidder. The Mandatory Requirements are set out in Schedule “C” (Technical Offer and Presentation Requirements and Evaluation).

Step 2: Evaluation of Rated Requirements (60% weight factor)

Technical Offers will be evaluated against the Rated Requirements, as outlined in Appendix “C-2” (Technical Offer). Technical Offers will be assigned a score for each rated requirement to establish a Step 2 **“Technical Score”**. The maximum Technical Score is one hundred (100) points.

Bidders must achieve a minimum Technical Score of 70 points out of 100 points in order to receive further consideration.

At the end of this Step 2 (Evaluation of Rated Requirements), CDIC will establish a shortlist of up to the top three (3) bidders with the highest total Technical Scores that have met the minimum Technical Score of 70 points. Only the bidders meeting these criteria will be eligible to proceed to the next step of the evaluation and selection process.

Step 3: Presentation (10% weight factor)

Shortlisted bidders will be required to make a presentation which will be assigned a score for each presentation rated requirement as outlined in Section 5 of Schedule “C” (Technical Offer Presentation Requirements and Evaluation) to establish a Step 3 **“Presentation Score”**. This presentation will be scheduled following the Evaluation of Rated Requirements and will take place virtually. Any costs incurred by the bidder for preparation and attendance in respect of the presentation to CDIC shall be at the bidder’s expense and not reimbursed by CDIC. The maximum Presentation Score is 100 points.

Step 4: Evaluation of Financial Offer (30% weight factor)

Financial Offers will be evaluated and assigned an “**Evaluated Price**” in accordance with Schedule “D”, (Financial Offer Requirements and Evaluation).

Step 5: Ranking of Bidders

Bidders will be ranked in order of highest Weighted Score (defined below) as determined by combining the bidder’s Technical, Presentation and Financial Scores. The top-ranked bidder will receive a written invitation to enter into direct contract negotiations to finalize the Professional Services Agreement with CDIC (subject to, and without limitation to, any other provision in this RFP, including but not limited to Section 11 (CDIC’s Reserved Rights)).

The following example of Step 5 is for illustration purposes only, any differences between this example and the values set out in this RFP are intentional:

Bidder Technical and Presentation Scores and Evaluated Prices			
	Bidder A	Bidder C	Bidder D
Technical Score	90	91	85
Presentation Score	85	90	92
Evaluated Price	\$675,000	\$750,000	\$650,000*

* Represents the lowest Evaluated Price

The example below illustrates how the highest Weighted Score will be calculated. Each bidder’s Technical Score is divided by the maximum Technical Score and then multiplied by sixty (60). The Presentation Score is divided by the maximum Presentation Score and then multiplied by ten (10).

The Financial Score is determined by dividing the lowest Evaluated Price by each bidder’s Evaluated Price and multiplying by thirty (30). The three (3) resulting scores are then added together and the total is the highest Weighted Score.

Highest Weighted Score				
Highest Combined Rating Technical Score sixty percent (60%), Presentation Score ten percent (10%) and Financial Score thirty percent (30%)				
	Technical Score	Presentation Score	Financial Score	Best Value
Bidder A*	$90/100 \times 60 = 54.0$	$85/100 \times 10 = 8.5$	$\$650,000/\$675,000 \times 30 = 28.88$	$54 + 8.5 + 28.88 = 91.38$
Bidder C	$91/100 \times 60 = 54.6$	$90/100 \times 10 = 9$	$\$650,000/\$750,000 \times 30 = 25.99$	$54.6 + 9 + 25.99 = 89.59$
Bidder D	$85/100 \times 60 = 51$	$92/100 \times 10 = 9.2$	$\$650,000/\$650,000 \times 30 = 30.00$	$51 + 9.2 + 30.00 = 90.2$

In this example bidder A* would be the top ranked bidder invited to enter into direct contract negotiations. This example is for illustrative purposes only, any differences between this example and the values set out in this RFP are intentional.

The Technical Score will be calculated by dividing each bidder’s Technical Score by the maximum Technical Score of 100 points and then multiplying by the specified weighting factor.

The Presentation Score will be calculated by dividing each bidder’s Presentation Score by the maximum Presentation Score of 100 points and then multiplying by the specified weighting factor.

The Financial Score will be calculated by dividing the lowest Evaluated Price among bidders by each bidder's Evaluated Price and multiplying by the specified weighting factor.

The Technical Score, Presentation Score and the Financial Score will then be added, and the total will be deemed the highest "**Weighted Score**".

In the event of a tie in the Weighted Score, CDIC will give the higher ranking to the bidder with the higher score for Rated Requirement RR 6., set out in Appendix "C-2" (Technical Offer).

THE TOP RANKED BIDDER WILL BE IDENTIFIED BY CDIC IN ACCORDANCE WITH THE ABOVE, AT WHICH POINT THE RFP WILL BE AT AN END.

THE EVALUATIONS UNDER THIS RFP AND THE PRECEDING STEPS IN THIS RFP, AND ANY SCHEDULE UNDER THIS RFP ARE SOLELY FOR THE PURPOSES OF ESTABLISHING A TOP RANKED BIDDER WITH WHOM TO ENTER INTO NEGOTIATIONS AND NOTHING SHALL LIMIT CDIC'S ABILITY TO NEGOTIATE AND TO CONCLUDE AN AGREEMENT WITH THE TOP RANKED BIDDER (OR SUCCESSIVE RANKED BIDDERS) ON TERMS, COMMITMENTS OR PRICES DIFFERENT FROM THOSE IDENTIFIED IN THIS RFP, ANY SCHEDULE UNDER THIS RFP OR THE TOP RANKED BIDDER'S PROPOSAL.

Step 6: Negotiations

1. No Contract until Execution of Written Agreement

Negotiations between CDIC and any bidder will not constitute a legally binding offer to enter into a contract on the part of CDIC. For greater certainty, there will be no legally binding contract or relationship created with any bidder prior to the execution of a written agreement. The terms and conditions attached as Appendix "A" to Schedule "F" (Form of Professional Services Agreement) are to form the basis for commencing negotiations between CDIC and the top ranked bidder. The scope of negotiations and the process of negotiations will be determined by CDIC and will be identified in a document provided to the top ranked bidder before the negotiation process commence. Without limiting the foregoing, negotiations may include requests by CDIC for supplementary information from the bidder to verify, clarify or supplement the information provided in its proposal or to confirm the conclusions reached in the evaluation, and may include requests by CDIC for improved pricing or performance terms from the bidder.

2. Time Period for Negotiations

CDIC intends to enter into negotiations and finalize an agreement with the top-ranked bidder commencing from the date CDIC invites the top-ranked bidder to enter negotiations. A bidder invited to enter into direct contract negotiations should therefore be prepared to satisfy the pre-conditions of award listed in Schedule "C" (Technical Offer and Presentation Requirements and Evaluation), provide requested information in a timely fashion and conduct its negotiations expeditiously.

3. Failure to Enter into Agreement

Bidders acknowledge and agree that CDIC does not represent or warrant that they will be able to conclude an agreement and has no obligation to conclude an agreement. If the parties cannot conclude negotiations and finalize the agreement for the Services, CDIC may determine at any time, in its sole and absolute discretion to discontinue negotiations with the top-ranked bidder and may invite the next-best-ranked bidder to enter into negotiations. This process will continue until an agreement is finalized, until there are no more bidders remaining that are eligible for negotiations or until CDIC elects to cancel the RFP process.

4. Notification of Negotiation Status

Other bidders that may become eligible for contract negotiations may be notified at the commencement of the negotiation process with the top-ranked bidder.

2. SCORING METHODOLOGY

The following is the basis for the scoring method that will be applied to the rated requirements in Schedule "C-2" (Technical Offer):

Score	Rationale
5	Exceptional, fully meets and/or exceeds CDIC's requirement. No weaknesses exist. A comprehensive response with no significant gaps.
4	Very Good, substantially meets CDIC's requirement. Strengths exceed weaknesses, and weaknesses are easily correctable.
3	Acceptable, meets the basic requirement of CDIC. There may be strengths or weaknesses, or both. Weaknesses do not significantly impact the requirements and are correctable.
2	Marginal, falls short of meeting the basic requirement of CDIC. Weaknesses exceed strengths and will be difficult to correct.
1	Unacceptable, minimal response, e.g., statement of compliance with no substantiation. Noted deficiencies are expected to be very difficult to correct or are not correctable
0	Unresponsive, no relevant response / unsatisfactory.

[END OF SCHEDULE "B" (EVALUATION AND SELECTION PROCESS)]

Schedule "C"

Technical Offer and Presentation Requirements and Evaluation

1. Technical Offer Requirements and Instructions to Bidders

Technical Offers must include the required forms as set out in Schedule "E" (Required Forms)

The Technical Offer should not exceed seventy-five (75) pages in length, each page being typed in Arial twelve (12) point font, with one-inch margins on paper sized eight-and-one half inches by eleven inches (8 ½" x 11").

Bidder's references to a URL that requires CDIC to download or access information from an internet site to validate or provide further detail for any of the requirements will not be accepted. The information will Not be considered to determine if the requirement(s) has been met or to award points, as applicable.

2. Pre-Conditions of Award

N/A.

3. Mandatory Requirements

Bidders must provide the Mandatory Requirements listed in Schedule "E" (Required Forms).

4. Rated Requirements

CDIC will evaluate the bidder's Technical Offer and assign points as part of its proposal based on how the bidder demonstrates its knowledge and experience in response to the Rated Requirements identified in Appendix "C-2" (Technical Offer).

For clarity, all requested information should be provided in Appendix "C-2" (Technical Offer).

5. Presentation Requirements and Instruction to Bidders

In accordance with Step 3 of the Evaluation Process, shortlisted bidders will be invited to complete a Presentation via *MS Teams*, in accordance with the dates on Page 1 of this RFP unless otherwise communicated to bidders by CDIC. CDIC shall schedule the date and time of the Presentation by email, at which time, shortlisted bidders shall respond to the invitation for the scheduled date and time. All key members of the bidder's proposed team should participate in the Presentation.

The Agenda for the Presentation is as follows:

No.		Maximum Time Allotted
1.	Presentation	30 minutes
2.	Questions and Answers	30 minutes

All Presentations will be evaluated against the following Rated Presentation Requirements:

Rated Presentation Requirements (Max 100 points):

No.	Presentation Requirement	Instructions and Specifications for Bidders	Maximum Points
1.	Mock Engagement	<p>The bidder should prepare an oral presentation to respond to a mock engagement provided to the bidder by CDIC.</p> <p>The bidder will have a maximum of thirty (30) minutes to deliver the presentation which should demonstrate the bidder's proposed approach, including at a minimum:</p> <ul style="list-style-type: none"> i) describing the proposed approach, methodology and project plan; ii) outlining a course of action and potential risks; and iii) allocation of resources 	60
2.	Questions and Answers	The bidder should provide accurate, persuasive, and realistic answers to questions immediately.	40

The Mock Engagement Scenario will be provided to bidders shortlisted to the Presentation stage.

[END OF SCHEDULE "C" (TECHNICAL OFFER AND PRESENTATION REQUIREMENTS AND EVALUATION)]

Appendix "C-1"

Technical Offer Submission Form

INSTRUCTIONS TO BIDDERS: The Technical Offer Submission Form shall be completed and accompanied by Appendix "C-2" (Technical Offer)

RFP Number: 2021-3259

Title: Internal Audit Services

TECHNICAL OFFER

LEGAL NAME OF BIDDER: _____

ADDRESS: _____

CONTACT NAME: _____

TELEPHONE: _____

EMAIL: _____

1. The undersigned (the "**Bidder**") hereby offers to the Canada Deposit Insurance Corporation ("**CDIC**") all necessary goods, services, labour, superintendence, supplies and facilities necessary to provide the following:

INTERNAL AUDIT SERVICES

2. The undersigned **Bidder** declares:
 - (i) It has not, directly or indirectly, paid or agreed to pay, and will not, directly or indirectly, pay, a contingency fee to any individual for the solicitation, negotiation or obtaining of the Professional Services Agreement if the payment of the fee would require the individual to file a return under section 5 of the *Lobbying Act*;
 - (ii) It has not been convicted of an offence under section 121, 124 or 418 of the *Criminal Code* other than an offence for which a pardon has been granted; and
 - (iii) It has prepared the proposal without collusion, and it has not had any communication, agreement or arrangement with a competitor or a CDIC employee or contractor regarding: (a) prices, or methods, factors or formulas used to calculate prices, (b) whether to submit a proposal, or (c) the submission of a proposal that does not meet the specifications of the RFP (in each case, other than any communications with a CDIC employee via and in accordance with the Request for Clarifications procedure discussed in Section 5 (Request for Clarifications) of the main body of the RFP); and

3. Ability to Provide Deliverables

The Bidder has carefully examined the RFP documents and has a clear and comprehensive knowledge of the Services required. The Bidder represents and warrants its ability to provide the Services in accordance with the requirements of the RFP for the rates set out in its proposal.

4. Acknowledgment of Non-Binding Procurement Process

The Bidder acknowledges that the RFP process will be governed by the terms and conditions of the RFP, and that, among other things, such terms and conditions confirm that this procurement process does not constitute a formal, legally binding bidding process (and for greater certainty, does not give rise to a contract, a bidding process contract), and that no legal relationship or obligation regarding the procurement of any good or service will be created between CDIC and the Bidder unless and until CDIC and the Bidder execute a written agreement for the Services.

5. No Prohibited Conduct

The Bidder declares that it has not engaged in any conduct prohibited by this RFP.

6. Conflict of Interest

The Bidder must declare all potential Conflicts of Interest. This includes disclosing the names and all pertinent details of all individuals (employees, advisers, or individuals acting in any other capacity) who (a) participated in the preparation of the proposal; **AND** (b) were employees of CDIC within twelve (12) months prior to the Deadline for Proposals.

If the box below is left blank, the Bidder will be deemed to declare that (a) there was no Conflict of Interest in preparing its proposal; and (b) there is no foreseeable Conflict of Interest in performing the contractual obligations contemplated in the RFP.

Otherwise, if the statement below applies, check the box.

- The Bidder declares that there is an actual or potential Conflict of Interest relating to the preparation of its proposal, and/or the bidder foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the RFP.

If the Bidder declares an actual or potential Conflict of Interest by marking the box above, the Bidder must set out below details of the actual or potential Conflict of Interest:

7. Disclosure of Information

The Bidder hereby agrees that any information provided in this proposal, even if it is identified as being supplied in confidence, may be disclosed where required by law or by order of a court or tribunal. The Bidder hereby consents to the disclosure, on a confidential basis, of this proposal by CDIC to the advisers retained by CDIC to advise or assist with the RFP process, including with respect to the evaluation this proposal.

By signing this Form, the Bidder represents that the above information is accurate.

Signature

Date

Print Name

Title

I have authority to bind the Bidder.

**OFFERS WHICH DO NOT CONTAIN THE REQUESTED DOCUMENTATION
MAY BE DEEMED NON-COMPLIANT.**

[END OF APPENDIX "C-1" (TECHNICAL OFFER SUBMISSION FORM)]

Appendix “C-2”

Technical Offer

INSTRUCTIONS TO BIDDERS: The bidder must not alter the format of the table below in any way, other than to remove highlighted text and add hard returns to provide responses. Columns and rows are not to be added or deleted. The maximum number of words is a guideline, only.

1. Bidder Information – (Not Rated)	
While no points will be awarded for the following information in this section 1., the bidder should provide these details as part of its Technical Offer.	
a) Bidder's Legal Name:	[Insert legal name]
b) Number of years the bidder has been in business, as applicable.	[(i)Insert years in business in Canada] [(ii)Insert years in business outside Canada], as applicable
c) Describe the number of employees employed by the bidder (identify the number of full-time, part-time and contract personnel). This should include the number of employees in Canada, and the number of employees outside Canada, as applicable.	<p>(Maximum 500 words)</p>
d) Describe the number of employees with CPA (Chartered Professional Accountant), Certified Internal Auditor and IT/Cyber Security credentials (e.g., Certified Information Systems Security Professional (CISSP), Certified Information Systems Auditor (CISA), etc.) The bidder should also describe the annual employee turnover rate over the past five (5) years.	<p>(Maximum 500 words)</p>
d) A brief overview and history of the bidder's company, including any parent companies, subsidiaries, affiliates, and other relevant ownership details, including any acquisitions or divestitures over the last ten (10) years.	<p>(Maximum 500 words)</p>
e) Provide the head office and branch locations, specifically identifying the location from which the services will be managed. Bidder should provide a list of physical offices in Canada and a list of physical offices outside of Canada, as applicable.	<p>(Maximum 500 words)</p>

2. Rated Requirements – (Maximum Total Points - 100)

Bidders should provide the following information in this section 2. as part of its Technical Offer.

RR 1. Proposed Partner/Associate Partner (Maximum Assigned Points – 5)

Bidder should describe the following for the proposed Partner/Associate Partner, as of the Deadline for Proposals:

- a) University degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution (as determined by one of the agencies referred by CICIC) and year conferred
- b) Professional designation(s) that are relevant to the services (such as CIA or CPA or accounting designation).and are in good standing and/or working towards, including date awarded and/or anticipated award date
- c) Number of years as a Partner/Associate Partner and identify the time period (from month/year to month/year); and
- d) Number of years of experience in providing internal audit services and identify the time period (from month/year to month/year).

A minimum of ten (10) years of audit experience within the past twelve (12) years is required. Less points may be allocated where the Proposed Partner/Associate Partner does not demonstrate the minimum requirements.

The bidder will be evaluated based on the ability to demonstrate the above requirements.

A1. *(Maximum 500 words)*

RR 2. Proposed Partner/Associate Partner – Reference (Maximum Assigned Points – 10)

Bidder should provide two (2) references for the proposed Partner/Associate Partner where the proposed Partner/Associate Partner was the lead Partner/Associate Partner for engagements providing internal audit services. The following should be included, at a minimum, for each reference:

- a) Name of client organization for whom the internal audit services were provided
- b) Client organization industry/sector
- c) A brief description of the internal audit services provided
- d) A brief description of the role of the proposed Partner/Associate Partner; and
- e) The start and end date (year and month) of the engagement.

In addition, while no points will be awarded for the information indicated below, the bidder should provide for each of the references, at a minimum, the following:

- i. Client reference contact information (including name and title of contact, email, and telephone number) to whom the bidder reported to for the engagement.

By providing such referenced, bidder is deemed to consent to CDIC contacting those references for the purpose of validating the information provided. This information will be treated as confidential and used only by CDIC to validate the information above, as required.

The reference project should have been completed within five (5) years prior to the Proposal Submission Deadline.

The bidder will be evaluated based on the relevance of the reference and the description of the internal audit services provided, and the role of the proposed Partner/Associate Partner.

A2. Reference #1 (5 Points)

	Name of Client:	
	Industry/Sector:	
	Commencement Date:	[mm/yyyy]
	Completion Date:	[mm/yyyy]
	Client Contact Name:	
	Title/Role:	
	E-mail Address:	
	Telephone Number:	
	Relevant Experience:	<p>[The reference should include, at a minimum, a brief description of the internal audit services provided, and; a brief description of the role of the proposed Partner/Associate Partner.]</p> <p>(Maximum 500 words.)</p>

A2. Reference #2 (5 Points)

	Name of Client:	
	Industry/Sector:	
	Commencement Date:	[mm/yyyy]
	Completion Date:	[mm/yyyy]
	Client Contact Name:	
	Title/Role:	
	E-mail Address:	
	Telephone Number:	
	Relevant Experience:	<p>[The reference should include, at a minimum, the Client organization industry/sector; a brief description of the internal audit services provided, and; a brief description of the role of the proposed Partner/Associate Partner.]</p> <p>(Maximum 500 words.)</p>

RR 3. Proposed Senior Manager (Maximum Assigned Points – 10)

Bidder should describe the following for the proposed Senior Manager, as of the Deadline for Proposals:

- a) University degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution (as determined by one of the agencies referred by CICIC and year conferred
- b) Professional designation(s) that are relevant to the services (such as CIA or CPA or accounting designation) and are in good standing and/or working towards, including date awarded
- c) Number of years of experience in the role of Senior Manager and identify the time period (from month/year to month/year); and
- d) Number of years of experience in providing internal audit services and identify the time period (from month/year to month/year).

A minimum seven (7) or more years of internal audit experience within the past twelve (12) years is required. Less points may be allocated where the Proposed Senior Manager does not demonstrate the minimum requirements.

The bidder will be evaluated based on the ability to demonstrate the above requirements.

A3. (Maximum 500 words)

RR 4. Proposed Senior Manager – Reference (Maximum Assigned Points – 10)

Bidder should provide two (2) references for the proposed Senior Manager where the proposed Senior Manager was the Senior Manager for engagements providing internal audit services.

The following should be included, at a minimum, for each reference:

- a) Name of client organization for whom the internal audit services were provided
- b) Client organization industry/sector
- c) A brief description of the internal audit services provided
- d) A brief description of the role of the proposed Senior Manager; and
- e) The start and end date (year and month) of the engagement.

In addition, while no points will be awarded for this information, the bidder should provide for each of the reference projects, at a minimum, the following:

- i. Client reference contact information (including name and title of contact, email and telephone number) to whom the bidder reported to for the engagement.

By providing such referenced, bidder is deemed to consent to CDIC contacting those references for the purpose of validating the information provided. This information will be treated as confidential and used only by CDIC to validate the information above, as required.

The reference project should have been completed within five (5) years prior to the Proposal Submission Deadline.

The bidder will be evaluated based on the relevance of the reference and the description of the internal audit services provided, and the role of the proposed Senior Manager.

A4. Reference #1 (5 Points)

	Name of Client:	
	Industry/Sector:	
	Commencement Date:	[mm/yyyy]
	Completion Date:	[mm/yyyy]
	Client Contact Name:	
	Title/Role:	
	E-mail Address:	
	Telephone Number:	
Relevant Experience:	[The reference should include, at a minimum, the Client organization industry/sector; a brief description of the internal audit services provided, and; a brief description of the role of the proposed Partner/Associate Partner.]	

		<i>(Maximum 500 words.)</i>
--	--	-----------------------------

A4. Reference #2 (5 Points)

	Name of Client:	
	Industry/Sector:	
	Commencement Date:	[mm/yyyy]
	Completion Date:	[mm/yyyy]
	Client Contact Name:	
	Title/Role:	
	E-mail Address:	
	Telephone Number:	
	Relevant Experience:	<p>[The reference should include, at a minimum, the Client organization industry/sector; a brief description of the internal audit services provided, and; a brief description of the role of the proposed Partner/Associate Partner.]</p> <p><i>(Maximum 1,000 words.)</i></p>

RR 5. Other Proposed Resourced (Maximum assigned points – 15)

In addition to the Partner/Associate Partner and Senior Manager proposed in (R1) and (R3.) above, the bidder should propose resources to complete the core team that includes at a minimum, one Manager, one Senior Associate/Auditor, and one Associate/Auditor. The bidder may propose a maximum of two (2) resources per category.

Bidder should describe the following for each of the proposed resources, as of the Deadline for Proposals:

- a) University degree(s) from a recognized Canadian University or an acceptable equivalent from a foreign institution (as determined by one of the agencies referred by CICIC and year conferred
- b) Professional designation(s) that are relevant to the services and are in good standing and/or working towards, including date awarded
- c) Number of years of experience in the role of Partner (if applicable) and identify the time period (from month/year to month/year); and
- d) Number of years of experience in providing internal audit services and identify the time period (from month/year to month/year).

The bidder will be evaluated based on the ability to demonstrate the above requirements.

A5. (Maximum of 500 words.)

RR 6. Subject Matter Experts – (Maximum assigned points - 20)

Bidder should describe:

- a) Its ability to access a broad set of expertise as required, including specifically cloud, Information Technology (IT) General Controls (“ITGC”), cyber security, and system implementation

- b) The type of expertise available and distinguish between internal resources and sub-contracted expertise; and
- c) The breadth of experience available within its firm, specialists or subject matter experts with deep industry specialization that would be most relevant to CDIC and how the bidder would determine when and how such specialists would be engaged to perform specific internal audit engagements.

A minimum of ten (10) years of audit experience within the past twelve (12) years is required. Less points may be allocated where the Subject Matter Experts do not demonstrate the minimum requirements.

The bidder will be evaluated based on the ability to demonstrate the above requirements.

A6. (Maximum of 500 words.)

RR 7. Performance– (Maximum assigned points – 5)

Bidder should describe how it evaluates the efficiency and effectiveness of its internal audit services, as well as the performance of resources assigned to engagements, from past client's perspective, by providing at a minimum:

- a) Its performance measurement criteria
- b) Its resolution processes
- c) Performance information from past client's perspective from at least one outsourced internal audit engagement for which the proposed Partner/Associate Partner was the lead Partner/Associate; and
- d) Performance information from past client's perspective from at least one outsourced internal audit engagement for which the proposed Senior Manager was the lead Senior Manager.

The bidder will be evaluated based on the ability to demonstrate the above requirements.

A7. (Maximum of 500 words.)

RR 8. Knowledge Transfer– (Maximum assigned points – 5)

Bidder should describe how they will retain and exchanges corporate knowledge of CDIC amongst resources assigned to an engagement. This includes the transfer of corporate knowledge from one engagement to the next, transition to new team members when necessary, and/or sharing among team members performing services across geographic locations.

The bidder will be evaluated based on the ability to demonstrate the knowledge transfer amongst resources assigned to CDIC, from one engagement to the next and the transition to team members.

A8. (Maximum of 500 words.)

RR 9. Sample Plans and Reports – (Maximum assigned points - 20)

Bidder should provide one sample of each of the following:

- a) Project plan for an internal audit assurance engagement that includes the steps (e.g., planning, risk and mitigations, controls etc.) need to complete the services.
- b) Status report on an internal engagement in progress (e.g., overall progress towards deliverables and changes to scope, risks/delays to completion); and
- c) Weekly timesheet detailing specific activities performed on a daily basis

The bidder will be evaluated based on the ability to demonstrate the above requirements.

A9. (*Maximum of 500 words.*)

**OFFERS WHICH DO NOT CONTAIN THE REQUESTED DOCUMENTATION
MAY BE DEEMED NON-COMPLIANT.**

[END OF APPENDIX “C-2” (TECHNICAL OFFER)]

Schedule "D"

Financial Offer Requirements and Evaluation

1. Financial Offer Requirements

Financial Offers must include the required forms as set out in Schedule "E" (Required Forms).

The bidder must submit Financial Offers in Canadian dollars and exclusive of Canadian Goods and Services Tax (GST), Harmonized Sales Tax (HST), and/or provincial sales taxes (PST), as applicable.

The bidder must submit firm, fixed all-inclusive hourly rates for each Category of Resources for the Initial Term, which shall be payable as per Appendix "A" (Services and Fees) of the Professional Services Agreement (the "PSA", attached to the RFP as Schedule "F" (Form of the Professional Services Agreement)).

Rates shall include all labour, materials, photocopies, telephone charges, any applicable travel and living expenses, overhead, profit, shipping, freight and any applicable duties, levies, and all other fees, expenses and costs associated with providing the good and services outlined in Schedule "A" (Description of Services) and otherwise in the PSA, unless expressly excluded by CDIC in this Schedule "D".

A "day" consists of 7 hours of work exclusive of breaks. Payment shall be for hours/days actually worked with no provision for annual leave, statutory holidays, sick leave or other benefits. Payment for work performed on a partial day or over 7 hours per day shall be prorated to reflect actual time worked.

Maximum Increase. The maximum increase in the hourly rates for Services for each renewal year will not exceed the change in the Consumer Price Index All-Items for Canada as published by Statistics Canada for the twelve (12) month period preceding the expiration date of the then applicable contract year.

2. Commercially Reasonable Rates

All hourly rates must correspond with the category of resources. For further clarity, CDIC expects that the hourly rate for an Associate/Auditor would be lower than a Senior Associate/Auditor; the hourly rate for a Senior Associate/Auditor would be lower than a Manager; the hourly rate for a Manager would be lower than a Senior Manager; and, the hourly rate for a Senior Manager would be lower than a Partner/Associate Partner. Failure to meet the foregoing requirement and expectation may result in the per diem rates being deemed as non-compliant and the Financial Offer being rejected.

3. Non-Resident Bidders

Any bidder who is a non-resident of Canada for tax purposes shall clearly state this fact in its Financial Offer; otherwise, bidder shall be deemed to have represented that it is a resident of Canada for tax purposes.

4. Mathematical Errors

In assessing Financial Offers, subject to Section 11 (CDIC's Reserved Rights) of the RFP:

if there are errors in the mathematical extension of unit prices, the unit prices prevail and the mathematical extension is adjusted accordingly;

if there are errors in the addition of lump sum prices or unit price extensions, the total may be corrected, and the correct amount reflected in the total Evaluated Price without rejecting the Financial Offer; and

any bidder affected by mathematical errors identified by CDIC may be contacted for clarification.

5. Evaluated Price

For evaluation purposes, the Evaluated Price shall be the sum of the Extended Prices for the Initial Term under Column D Pricing in Tables 1. (Professional Services – Hourly Rates) of Appendix "D-2" (Financial Offer).

[END OF SCHEDULE "D" (FINANCIAL OFFER REQUIREMENTS AND EVALUATION)]

Appendix "D-1"

Financial Offer Submission Form

INSTRUCTIONS TO BIDDERS: The Financial Offer shall be completed and accompanied by Appendix "D-2" Financial Offer.

RFP Number: 2021-3259

Title: Internal Audit Services

FINANCIAL OFFER

LEGAL NAME OF BIDDER: _____

ADDRESS: _____

CONTACT NAME: _____

TELEPHONE: _____

EMAIL: _____

1. The undersigned bidder (hereinafter referred to as the "**Bidder**") hereby offers the Canada Deposit Insurance Corporation ("CDIC") to perform and complete the work at the place, in the manner set out in accordance with the documents specified in the RFP and any additional documents or information submitted as part of its Technical Offer and at the prices specified herein.

INTERNAL AUDIT SERVICES

2. The Bidder has submitted its pricing in accordance with the instructions in the RFP and in Schedule "D" (Financial Requirements and Evaluation) in particular. The Bidder confirms that the pricing information provided is accurate. The Bidder acknowledges that any inaccurate, misleading or incomplete information, including withdrawn or altered pricing, could adversely impact the acceptance or ranking of its proposal or its eligibility for future work.

3. Appropriate Law

This RFP and any Agreement and subsequent purchase order authorized as a result of this RFP shall be governed by and construed in accordance with the laws in force in the Province of Ontario, Canada.

4. Place of Residence Information

Bidder **Resident** of Canada for Canadian tax purposes

Bidder **Non-resident** of Canada for Canadian tax purposes

If not specified, the Bidder will be deemed to represent and warrant that it is a resident of Canada for Canadian tax purposes.

By signing this Form, the Bidder represents that the above information is accurate.

Signature

Date

Print Name

Title

I have the authority to bind the Bidder.

**OFFERS WHICH DO NOT CONTAIN THE REQUESTED DOCUMENTATION
MAY BE DEEMED NON-COMPLIANT.**

[END OF APPENDIX "D-1" (FINANCIAL OFFER SUBMISSION FORM)]

Appendix “D-2”

Financial Offer

INSTRUCTIONS TO BIDDERS: The bidder must not alter the format of the table below in any way, other than to remove highlighted text and add hard returns to provide responses. Columns and rows are not to be added or deleted.

Table 1. - Professional Services – Hourly Rates – Evaluated Price

No.	A	B	C	D
	Category of Resources	All-inclusive Firm Fixed Hourly Rate for Initial Term (April 1, 2022 to March 31, 2025)	Estimated Annual Level of Effort (days) (1 day = 7 hours)	Extended Rates for Initial Term (Column B x Column C)
1.	Partner/Associate Partner	\$	2	\$
2.	Senior Manager	\$	8	\$
3.	Manager	\$	80	\$
4.	Senior Associate/Auditor	\$	56	\$
5.	Associate/Auditor	\$	16	\$
6.	Junior Level Resource	\$	10	\$
7.	Administrative Resource	\$	5	\$
8.	SME/On-Call Services	\$	10	
Evaluated Price				Extended Rates for Initial Term (Sum of column D) \$

Bidder's rates in Table 1., above shall be used for evaluation purposes and shall be the rates for any resulting Agreement.

**OFFERS WHICH DO NOT CONTAIN THE REQUESTED DOCUMENTATION
MAY BE DEEMED NON-COMPLIANT.**

[END OF APPENDIX “D-2” (FINANCIAL OFFER)]

Schedule "E"

Required Forms

1. Mandatory Requirements

M1.	Bidders must submit a completed <u>Appendix "C-1"</u> (Technical Offer Submission Form).
M2.	Bidders must complete and submit <u>Appendix "C-2"</u> (Technical Offer).
M3.	Bidders must complete and submit <u>Appendix "D-1"</u> (Financial Offer Submission Form).
M4.	Bidders must submit a completed <u>Appendix "D-2"</u> (Financial Offer).

[END OF SCHEDULE "E" (REQUIRED FORMS)]

Schedule "F"
Form of Professional Services Agreement

NOTE TO BIDDERS: Bidder may submit their standard form of agreement. Negotiations with the top-ranked bidder will be based on the PSA attached, with possible adjustments made to reflect the top-ranked bidder's standard form of agreement (if provided), where needed.

Contract No.: 2021- 3259

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made as of the Effective Date.

BETWEEN:

CANADA DEPOSIT INSURANCE CORPORATION,
a federal crown corporation established by an Act of Parliament,
the *Canada Deposit Insurance Corporation Act*
("CDIC")

AND:

[insert name of corporation or partnership],
a corporation existing under the laws of <*>
or
a (**limited liability**) partnership established pursuant to the laws of <*>
("Consultant").

BACKGROUND

- A. Following an open request-for-proposal process, CDIC has selected <*> to perform internal audit advisory services.
- B. In accordance with the CDIC's *Procurement and Contracting Policy*, as may be amended from time to time, CDIC has selected the Consultant to provide the Services, if any set out in Appendix A to this Agreement.
- C. The Consultant is qualified to provide the Services and agrees to provide the Services in accordance with the terms and conditions of this Agreement;

IN CONSIDERATION of the above, the mutual covenants set out herein, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions. Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

“**Acceptance**”, “**Accepts**”, “**Accepted**” or “**Acceptable**” means the confirmation in writing by the Designated Officer that CDIC is satisfied with the quality of the Services provided;

“**Agreement**” means this Professional Services Agreement and includes the appendices and any schedules attached hereto, as such may be amended from time to time by written agreement of the Parties hereto;

“**Assigned Person**” means any person employed or engaged by the Consultant who is (i) assigned by the Consultant to perform the Services and is listed in Appendix A, or (ii) who is assigned by the Consultant to perform the Services as an alternate, pursuant to Section 6.5;

“**Business Day**” means a day, other than a Saturday, Sunday or a statutory or civic holiday in the City of Ottawa, Province of Ontario, Canada;

“**Claim**” means any claim, demand, action, assessment or reassessment, suit, cause of action, damage, loss, charge, judgment, debt, costs, liability or expense, including taxes, interest and penalties imposed by law and the reasonable professional fees and all costs incurred in investigating or pursuing, defending or settling any of the foregoing or any proceeding relating to any of the foregoing;

“**Commencement Date**” means the date set out in Appendix A on which the Consultant shall begin to provide the Services;

“**Completion Date**” means the date set out in Appendix A on which the Consultant shall cease to provide the Services;

“**Confidential Information**” has the meaning attributed thereto in Appendix B;

“**Designated Officer**” means the individual set out in Appendix A who represents CDIC, or such other person as may be designated by CDIC from time to time;

“**Disbursements**” mean the reasonable fees, expenses, costs or charges, from other parties that are incurred by the Consultant for the purpose of performing the Services including all applicable taxes thereon, but do not include Pre-approved Expenses;

“**Effective Date**” means the latest date this Agreement is signed by the Parties as indicated on the signature page;

“**Fee**” or “**Fees**” means an amount agreed to be paid to the Consultant for the provision of any part of the Services as set out in Appendix A;

“**GST/HST/PST**” means all taxes eligible under Part IX of the *Excise Tax Act*;

“**Information**” means all information provided to the Consultant and any Assigned Person, regardless of form or medium, whether reproducible or not, and includes any facts, data, hypotheses, analyses, projections, assumptions, or opinions;

“**Intellectual Property Rights**” means any rights provided under: (i) patent law; (ii) copyright law (including moral rights); (iii) trade-mark law; (iv) design patent or industrial design law; (v) semi-conductor chip or mask work law; or (vi) any other statutory provision or common law principle applicable to this Agreement, including trade secret law, which may provide a right in either hardware, software, documentation, Confidential Information, ideas, formulae, algorithms, concepts, inventions, processes or know-how generally, or the expression or use of such hardware, software, documentation, Confidential Information, ideas, formulae, algorithms, concepts, inventions, processes or know-how; or any rights provided under any applications, registrations, licenses, sub-licenses, franchises, agreements or any other evidence of a right in any of the foregoing;

“**Non-Compliant Jurisdiction**” means any jurisdiction whose laws conflict with or impede the application of the *Privacy Act* and the *Personal Information Protection and Electronic Documents Act*, either expressly or through subsequent application. This includes the United States of America;

“**Parties**” means CDIC and the Consultant, and “**Party**” means either one of them;

“**person**” includes an individual, a corporation, a general or limited partnership, a joint venture, a trust, an unincorporated organization, the Crown or a federal, provincial, national, state or municipal government or any agency or instrumentality of the Crown or a government or any entity recognized by law;

“**Personal Information**” means Information about an identifiable individual;

“**Pre-approved Expenses**” mean the reasonable out-of-town travel, accommodation and living expenses, including all applicable taxes thereon, that are expected to be incurred by the Consultant for the purpose of performing the Services and that are approved by CDIC’s Designated Officer prior to actually being incurred;

“**Services**” means the tasks or activities required to be performed by the Consultant as set out in Appendix A and any services ancillary thereto;

“**Total Fee**” means the total amount payable to the Consultant for the provision of the Services as set out in Appendix A; and

“**Work Product**” means all materials, inventions and other deliverables that the Consultant may develop for CDIC in the course of providing the Services, whether alone or jointly with others, including all research, reports, correspondence, memoranda, notes, source code, object code, executable code, technical documentation, user documentation, custom software and all information generated by the Consultant specifically for CDIC in any reproducible medium in connection with the provision of the Services.

1.2 Certain Rules of Interpretation. In this Agreement,

- (a) **Time** - time is of the essence hereof;
- (b) **Currency** - unless otherwise specified, all references to monetary amounts in this Agreement are to lawful currency of Canada;
- (c) **Headings** - descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections and as such, shall not affect the construction or interpretation of this Agreement;
- (d) **Singular, etc.** - words expressed in the singular include the plural and vice-versa and words in one gender include all genders;
- (e) **Consent** - whenever a provision of this Agreement requires an approval or consent by a Party to this Agreement and notification of such approval or consent is not delivered within the applicable time, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent;
- (f) **Calculation of Time** - unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;
- (g) **Business Day** - whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day;
- (h) **Inclusion** - where the words “including” or “includes” appear in this Agreement, they mean “including without limitation” or “includes without limitation” respectively;
- (i) **References** - the words “herein”, “hereof”, “hereby” and “hereunder” and similar expressions refer to this Agreement as a whole and not to any particular portion of it and references to an Article, Section or subsection refer to the applicable Article, Section or subsection of this Agreement; and
- (j) **No Strict Construction** – the language used in this Agreement is the language chosen to express the mutual intent of the Parties, and no rule of strict construction will be applied against either of the Parties.

1.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The rights and obligations under this Agreement shall not be governed by the *United Nations Convention on Contracts for the International Sale of Goods* or any local implementing legislation, the application of which is expressly excluded.

1.4 **Appendices.** The appendices to this Agreement listed below include additional terms which form part of this Agreement:

<u>Appendix</u>	<u>Description</u>
-----------------	--------------------

A.....	Services and Fees
--------	-------------------

B.....	Confidentiality, Privacy, Conflict of Interest and Security
--------	-------------------------------------------------------------

**ARTICLE 2
AGREEMENT FOR SERVICE**

2.1 The Consultant is hereby engaged by CDIC as of the Execution Date as an independent contractor on a non-exclusive basis for the sole purpose of undertaking and delivering the Services set out in Appendix A and any applicable Work Product for the term set out therein, and in accordance with this Agreement. The effective date of the Services is the Commencement Date.

2.2 Subject to the conflict of interest provisions contained in Appendix B, CDIC acknowledges that, during the term of this Agreement, the Consultant and any Assigned Person may provide services to other persons (including member institutions of CDIC or any parent or subsidiary corporations or affiliates thereof).

2.3 The Consultant is responsible for the delivery of all filings required in relation to, and the payment of: all taxes, levies, premiums or payments assessed, levied or charged against the Consultant, including any GST/HST/PST, income tax, local tax, workplace safety and insurance premiums, Canada Pension Plan or Quebec Pension Plan premiums, Employment Insurance premiums and Ontario Health Insurance Plan premiums or levies or other contributions as required by all laws applicable to the Consultant or to any Assigned Person (all collectively, the “**filings and deductions**”). In addition to any other indemnifications contained in this Agreement, the Consultant agrees to indemnify and save harmless CDIC, its employees, agents, officers and directors from any Claims arising as a result of or in relation to:

(a) the Consultant’s failure, omission or refusal to deliver or remit any filings and deductions to the appropriate federal, provincial or municipal government entity, agency or collecting body, as required by law; or,

(b) a determination by any federal, provincial or municipal government entity, agency or collecting body that (notwithstanding the express and mutual intention of the Parties,) the relationship between CDIC and any of the Consultant or any Assigned Person, is not an independent contractor relationship.

**ARTICLE 3
LIMITATION OF AUTHORITY**

- 3.1** The Consultant shall have no authority to enter into any contract, commitment or obligation of any kind whatsoever on behalf of CDIC unless the Consultant receives prior written authorization from CDIC.
- 3.2** Neither the Consultant nor any Assigned Person shall, at any time, be deemed to be an employee, servant or agent of CDIC or of Her Majesty in Right of Canada, for any purpose whatsoever.

**ARTICLE 4
CONFIDENTIALITY AND CONFLICT OF INTEREST
AND USE OF PERSONAL AND CONFIDENTIAL INFORMATION**

- 4.1** The Consultant agrees to be bound by the terms set out in this Article 4 and in the attached Appendix B entitled “Confidentiality, Privacy Conflict of Interest and Security”.
- 4.2** The Consultant agrees that prior to allowing any Assigned Person to perform the Services, it shall require that Assigned Person to read and agree to abide by the terms of the attached Appendix B entitled “Confidentiality, Privacy, Conflict of Interest and Security”.
- 4.3** Except as set out in Appendix A, the Consultant represents and warrants that:
- (a) The Consultant only carries on business in Canada;
 - (b) The Consultant does not have a parent, subsidiary or other related company that operates in a Non-Compliant Jurisdiction;
 - (c) The Consultant does not subcontract or outsource data processing or storage to any third party carrying on business in a Non-Compliant Jurisdiction; and
 - (d) The Consultant’s employees are bound by written confidentiality agreements or binding confidentiality policies.
- 4.4** The Consultant agrees that:
- (a) CDIC shall retain custody and control of any Confidential Information and Personal Information transferred, collected, created, obtained, maintained or otherwise held by the Consultant for the purposes of this Agreement, and all Confidential Information and Personal Information must be returned to CDIC upon request;
 - (b) Except as set out in Appendix A, the Consultant shall not transfer Personal Information to any entity or person carrying on business in a Non-Compliant Jurisdiction for any purpose unless approved by CDIC in writing. Confidential Information may be disclosed to third parties that provide data processing, storage and similar services to the Consultant and may correspondingly be used, processed and stored outside Canada by the Consultant and such third party service providers.

The Consultant is responsible to CDIC for causing such third party service providers to comply with the obligations of confidentiality set out in this Agreement;

- (c) CDIC shall have the right to review from time to time the measures and practices adopted by the Consultant to perform its obligations under this Agreement. This right of review includes the right to attend the Consultant's premises on reasonable written notice to the Consultant to review such measures and practices and the right to audit the Consultant's records and otherwise verify audit trails for data access, modification or disclosure. The Consultant shall provide full cooperation in connection with any such review. To the extent that such review causes the Consultant to incur reasonable third party expenses, such expenses shall be reimbursed by CDIC;
 - (d) The Consultant shall implement sufficient audit trail requirements to record access to Confidential Information and any attempted access thereto and any modification or disclosure of Confidential Information; and
 - (e) The Consultant shall include the above representations, warranties and terms in any agreement with a third party respecting the transfer of Confidential Information or Personal Information, *mutatis mutandis*.
- 4.5** If the Consultant learns of any actual or reasonably suspected access, use, destruction, alteration or disclosure of Confidential Information or Personal Information that is not permitted by this Agreement or otherwise approved by CDIC in writing (including any loss or theft of Confidential Information or Personal Information) (collectively, a "**Data Breach**"), Consultant shall promptly notify CDIC in writing of the particulars of such Data Breach (unless such notice is prohibited by applicable law). The Consultant shall thereafter contain and investigate the Data Breach and fully cooperate with CDIC in resolving the Data Breach.
- 4.6** In the event of a change in status or ownership of a parent company or of the Consultant that may result in a change of custody or control of data being held and/or processed by the Consultant, the Consultant shall promptly notify CDIC. Following such notification, CDIC reserves the right to immediately terminate this Agreement or seek amendments thereto.
- 4.7** In the event of a change in the operations of the Consultant, such as acquiring or creating an entity in a Non-Compliant Jurisdiction that shall have access to CDIC Information, the Consultant shall promptly notify CDIC. Following such notification, CDIC reserves the right to immediately terminate this Agreement or seek amendments thereto.

ARTICLE 5 CDIC'S RESPONSIBILITIES

- 5.1** If and when necessary, CDIC shall provide the Consultant with limited access, as required, to its offices and personnel at 50 O'Connor Street, Ottawa, Ontario (the "**Premises**") [OR: 50 O'Connor Street, Ottawa, Ontario and 79 Wellington Street West, Suite 1200, Toronto, Ontario (collectively, the "**Premises**")]] to facilitate the provision of the Services. The

Consultant agrees to abide by the requirements of CDIC and the Designated Officer with respect to security, timing and manner and method of access, occupancy and egress from the Premises, as those requirements may change from time to time. The Consultant further agrees to abide by any rules regarding access, occupancy and egress imposed by the landlord of the Premises.

- 5.2 The Designated Officer, or other representative of CDIC, as may be appropriate, shall provide the Consultant with the Information and Confidential Information that is required for the provision of the Services.
- 5.3 CDIC acknowledges that the provision of the Services may require the Designated Officer and other CDIC personnel to be available for meetings with the Consultant and to respond promptly to the inquiries of the Consultant. CDIC shall use reasonable efforts to accommodate same without disrupting its operations.
- 5.4 The Consultant shall consult with the Designated Officer from time to time, regarding the provision of the Services. The Designated Officer may provide the Consultant with a schedule for the completion of the Services (the “**Schedule**”).
- 5.5 CDIC may, at its own discretion, periodically or from time to time, advise the Consultant as to whether the provision of Services by the Consultant is Acceptable. CDIC shall have the right to require the Consultant to correct or replace any Services and Work Product that are deemed by CDIC not to be Acceptable, at the Consultant’s own expense. CDIC shall inform the Consultant of the reasons for any such non-Acceptance of the Services or Work Product as the case may be.
- 5.6 CDIC or its representatives may, at any time during the term of this Agreement or within one (1) year of the expiration or termination of this Agreement, conduct an audit of the books, accounts, records, data or other information of the Consultant relating to the performance of the Services and of all expenditures or commitments made by the Consultant in connection therewith. The Consultant shall not, without the prior written consent of CDIC, dispose of any books, accounts or records that relate to the performance of the Services until the later of: (i) the expiration of one (1) year after the final payment is made under this Agreement; or (ii) the settlement of all outstanding claims and disputes between the Parties. The Consultant shall provide CDIC with access to its premises, to all books, accounts, and records related to the performance of the Services and shall co-operate fully with CDIC in respect of any audit that is conducted.

ARTICLE 6 CONSULTANT’S RESPONSIBILITIES

- 6.1 The Consultant represents and warrants that it is validly incorporated under the laws of <*> and that it has the power and authority to enter into this Agreement. The Consultant represents and warrants that the Consultant and each Assigned Person has the necessary resources, competence and qualifications, including knowledge, skill and experience to provide the Services. The Consultant shall provide the Services promptly, efficiently, in accordance with reasonable standards of quality acceptable to CDIC, in consultation with

the Designated Officer, in conformity with the Schedule established by the Designated Officer, if any, and with the terms and provisions of this Agreement.

- 6.2** The Consultant shall commence the provision of the Services on the Commencement Date and shall provide the Services until the earlier of the Completion Date or the date on which the Services are completed by the Consultant and Accepted by the Designated Officer.
- 6.3** The Consultant shall make periodic written reports, as requested by the Designated Officer, outlining the progress made by the Consultant in providing the Services.
- 6.4** CDIC is required to notify individuals in connection with the collection of Personal Information by CDIC. The Consultant agrees that prior to providing any Personal Information about an Assigned Person to CDIC, or prior to allowing an Assigned Person to perform the Services, as applicable, the Consultant shall either (a) provide the Assigned Person with CDIC's privacy notice (a copy of which is at <http://www.cdic.ca/en/about-cdic/policies-reports/atip/Pages/Privacy.aspx>), or (b) refer the Assigned Person to the webpage where the privacy notice is posted, and require the Assigned Person to read the privacy notice.
- 6.5** The Consultant shall ensure that the Services are only provided by the Assigned Persons listed in Appendix A hereof and that such Assigned Persons are available to perform the Services in accordance with the Schedule established by the Designated Officer, if any. Should such Assigned Person be unavailable to provide the Services, the Consultant may, with CDIC's prior written consent, assign an alternate Assigned Person who has a comparable level of skill, ability and qualifications to provide the Services. Other amendments to the list of Assigned Persons in Appendix A may be made with the written consent of CDIC.
- 6.6** CDIC shall have access at all reasonable times to the books, accounts, records, data, Work Product and other information in the Consultant's and any Assigned Person's possession and control in connection with the provision of the Services.
- 6.7** On termination for any reason other than breach by CDIC, to the extent that it may exist, in whole or in part, the Consultant shall deliver to CDIC, or such person as CDIC may designate, the Work Product and knowledge that is required by CDIC to complete the provision of the Services or that will allow CDIC to utilize the Services or Work Product on an ongoing basis.
- 6.8** The Consultant warrants that no Work Product will infringe or otherwise violate any Intellectual Property Rights of any third party.
- 6.9** The Consultant warrants that all Services and Work Product provided under this Agreement will, at the time of Acceptance, be free from any defect in workmanship and conform to the requirements of this Agreement. If the Consultant is required to correct or replace the Services or Work Product or any portion thereof, it shall be at no cost to CDIC, and any Services or Work Product corrected or replaced by the Consultant shall be subject to all the provisions of this Agreement to the same extent as the Services or Work Product as initially performed.

- 6.10** The Consultant acknowledges and agrees that CDIC may require the Consultant to require any Assigned Person, to act in conformity with any existing or future policies, standards, guidelines and procedures of CDIC as may become appropriate in CDIC's discretion, at all times during the provision of the Services, including:
- a) where the Services involve Personal Information or other "Protected Information", as that term is defined in CDIC's *Information Classification Standard*, the Consultant will adhere to CDIC's *Corporate Security Policy*;
 - b) where the Services involve travel and related living expenses, the Consultant will adhere to CDIC's *Travel, Hospitality, Conferences and Events Policy*; and
 - c) where any Assigned Person will be performing Services at CDIC's Premises on a regular basis, to require any Assigned Person to review and act in conformity with: (i) the Guidelines for Contractors/Consultants' Personnel/Agency Personnel (the "**Guidelines**") and (ii) *Harassment in the Workplace Policy* prior to or on the date such Assigned Person commences performing the Services.
- 6.11** The Consultant shall be responsible for ensuring that each Assigned Person complies with all of the terms of this Agreement, and shall be responsible for any non-compliance in any way attributable to any Assigned Person or other person for whom the Consultant is responsible.

ARTICLE 7 OWNERSHIP OF INTELLECTUAL PROPERTY

- 7.1** The Consultant agrees that prior to allowing any Assigned Person to perform the Services, it shall require that Assigned Person to read and agree to abide by the terms of this Article 7.
- 7.2** If, during the course of providing Services to CDIC, the Consultant develops any work that is protected by copyright, the Consultant hereby waives unconditionally any moral rights it may have in such work and shall require each Assigned Person to waive unconditionally any moral rights in such work.
- 7.3** The Consultant shall not use or disclose any Work Product or other materials embodying any of CDIC's Intellectual Property Rights provided by CDIC or developed for CDIC except in the course of providing the Services or as expressly authorized by CDIC in writing.
- 7.4** The Consultant shall not make any unauthorized use of any trade secrets or Intellectual Property Rights of a third party during the course of providing Services to CDIC.
- 7.5** The Consultant shall not make any unauthorized use of CDIC's property including its computer systems, communications networks, databases or files, and shall adhere to all CDIC policies regarding the use of such computer systems, communication networks, databases or files.

- 7.6 The Consultant shall only use software authorized by CDIC on CDIC equipment.
- 7.7 The Consultant acknowledges and agrees that it shall be held liable for any breach or any damages resulting from any violations of the terms of this Article 7 that are caused by the Consultant or that are attributable in any way to an Assigned Person.
- 7.8 All Work Product shall be the exclusive property of CDIC and the Consultant shall have no right, title or interest in any such Intellectual Property Rights. At the request and expense of CDIC, the Consultant shall do all acts necessary and sign all documentation necessary in order to assign all rights in the Intellectual Property Rights to CDIC and to enable CDIC to register patents, copyrights, trade-marks, mask works, industrial designs and such other protections as CDIC deems advisable anywhere in the world.
- 7.9 The Consultant agrees to provide all reasonable assistance to CDIC in the prosecution of any patent application, copyright registration or trade-mark application or the protection of any Intellectual Property Rights. The Consultant agrees to execute any documentation necessary to assist with any such prosecution or to effect any such application or registration upon the request of CDIC, whether such request is made during the term of this Agreement or after the expiration or termination of this Agreement for any reason whatsoever.

ARTICLE 8 FEES AND BILLING PROCEDURES

- 8.1 The Total Fee payable under this Agreement is as set out in Appendix A. The Consultant shall have no right to demand any additional Fees other than as set out in Appendix A, either before, during or after the completion of provision of the Services.
- 8.2 In accordance with the terms of Appendix A, the Consultant shall deliver a written request for payment in the form of an invoice for services rendered to CDIC (the “**Invoice**”).
- 8.3 The Invoice shall be accompanied by supporting documentation confirming the amount and particulars of any Disbursements or Pre-approved Expenses incurred by the Consultant in providing the Services and shall specify the following information, as applicable:
- (a) a detailed suitable description of the Services provided in relation to the Fees billed by the Consultant;
 - (b) the amount owing in accordance with the Fees set out in Appendix A;
 - (c) the amount of GST/HST/PST thereon;
 - (d) the amount of any Disbursements and Pre-approved Expenses; and
 - (e) such other information as CDIC may reasonably require.

The Consultant agrees that failure to include all supporting documentation with the Invoice and/or failure to provide any or all of the foregoing information as part of the Invoice may result in a delay of payment to the Consultant.

- 8.4** Within thirty (30) days of receiving an Invoice, CDIC shall verify the amounts stipulated in the Invoice and subject to Section 8.1 hereof, shall pay to the Consultant the full amount of the Invoice. CDIC shall advise the Consultant of the details of any objection it may have to the form, content or amount of the Invoice within fifteen (15) days of receipt of the Invoice, and the above-noted thirty (30) day period shall commence to run after receipt by CDIC of a revised Invoice.
- 8.5** Subject to Section 9.3 hereof, upon termination of this Agreement by CDIC, the Consultant shall, within fifteen (15) days after the effective date of such termination, deliver a final Invoice to CDIC in the form specified above setting out the Fees, GST/HST/PST, Disbursements, and Pre-approved Expenses charged or incurred by the Consultant from the date of the previous Invoice to the effective date of termination and CDIC shall pay the Invoice in accordance with this Article 8. The Consultant shall not be entitled to payment for any amount on account of Fees, GST/HST/PST, Disbursements or Pre-approved Expenses that are either charged or incurred by the Consultant following the effective date of termination of this Agreement.

ARTICLE 9 EXPIRATION AND TERMINATION

- 9.1** CDIC may terminate this Agreement at any time by giving the Consultant five (5) Business Days prior written notice. The Consultant and CDIC agree and acknowledge that the giving of such written notice shall serve to discharge all liability whether contractual, statutory, or otherwise owed by CDIC to the Consultant, except CDIC's obligation to pay the Consultant any outstanding Fees earned and GST/HST/PST thereon, and any Disbursements or Pre-approved Expenses incurred by the Consultant in the period prior to the effective date of termination of this Agreement which obligation shall survive such termination.
- 9.2** If the Consultant breaches any provision of this Agreement and fails to remedy such breach within five (5) Business Days of receiving a written notice from CDIC notifying the Consultant of such breach, CDIC may, without giving any further notice to the Consultant, terminate this Agreement effective as of the end of such five (5) day period.
- 9.3** Notwithstanding any other provision of this Agreement, if this Agreement is terminated by CDIC pursuant to Section 9.2 above:
- (a) the Consultant shall not be entitled to payment for any amount on account of Fees, GST/HST/PST, Disbursements or Pre-approved Expenses that are charged or incurred by the Consultant after the day upon which such notice of breach of the Agreement is received by the Consultant; and,
 - (b) CDIC may arrange, upon such terms and conditions and in such manner as CDIC deems appropriate, for any uncompleted Services to be completed and the Consultant shall be liable to CDIC for any amounts in excess of the Total Fee as are required to retain a replacement consultant to complete the Services. CDIC may, in its sole discretion, withhold from the amount due to the Consultant upon termination

of this Agreement such sums as CDIC determines to be necessary to protect CDIC against any excess costs it might incur in relation to the retention of a replacement consultant and the completion of the Services.

- 9.4 If the Services are not provided in full, the Consultant shall be entitled to payment of that portion of the Total Fee represented by the Services performed as determined by CDIC acting reasonably.
- 9.5 This Agreement shall expire automatically on the earlier of the Completion Date or the date on which the Services are completed by the Consultant and Accepted by the Designated Officer.
- 9.6 Upon expiration or termination of this Agreement for any reason whatsoever, the Consultant shall forthwith return all Information, Confidential Information, Work Product and other materials embodying CDIC's Intellectual Property Rights in the possession or control of the Consultant or any Assigned Person to CDIC or shall provide a written certificate to CDIC certifying the destruction of all Information, Confidential Information, Work Product and other materials embodying CDIC's Intellectual Property Rights if instructed by CDIC to destroy such Information.

ARTICLE 10 INDEMNIFICATION

- 10.1 CDIC agrees to indemnify, defend and hold harmless the Consultant and its respective employees, agents, officers, directors, successors and assigns (each, a "**Consultant Indemnatee**"), from and against any Claims that may be made or brought against the Consultant Indemnatee, or which they may suffer or incur, directly as a result of any deliberate or negligent acts or omissions by CDIC or any person for whom CDIC is responsible.
- 10.2 The Consultant agrees to indemnify, defend and hold harmless CDIC and its respective employees, agents, officers, directors, successors and assigns (each, a "**CDIC Indemnatee**") from and against any Claims that may be made or brought against the CDIC Indemnatee, or which they may suffer or incur, directly or indirectly as a result of or in connection with:
- (a) any deliberate or negligent acts or omissions of the Consultant or any person for whom the Consultant is responsible (including any Assigned Person);
 - (b) any injury sustained by the Consultant or by any Assigned Person while on the Premises for any reason connected with this Agreement;
 - (c) the infringement, alleged infringement or potential infringement by any aspect of the Services or the Work Product of the Intellectual Property Rights of any person;
 - (d) any breach by the Consultant or any Assigned Person of Article 4 or the obligations to protect Confidential Information or Personal Information; or

(e) any other breach of this Agreement by the Consultant or by any Assigned Person.

10.3 The obligation to indemnify in respect of any Claim is contingent upon the CDIC Indemnitee or the Consultant Indemnitee (as applicable) (the “**Indemnified Party**”) (a) giving prompt written notice thereof to the indemnifying Party (the “**Indemnifying Party**”) and (b) providing reasonable co-operation and assistance to the Indemnifying Party in the investigation, defence, negotiation and settlement of any Claim, including providing reasonable access to relevant information and employees. The obligation to indemnify in respect of any Claim shall terminate unless the Indemnified Party gives the aforementioned written notice to the Indemnifying Party within two (2) years of the date on which the Indemnified Party knew or ought reasonably to have known of the existence of the Claim.

10.4 Third Party Claims. In respect of any third party Claim, the Indemnifying Party will be entitled to elect by written notice addressed to the Indemnified Party, within fifteen (15) days after its receipt of such notice, to assume control over the investigation, defence, negotiation and settlement of such third party Claim at its own cost, risk and expense.

(a) If the Indemnifying Party elects to assume such control, the Indemnified Party will have the right to participate in the investigation, defence, negotiation and settlement of such third party claim at the cost of the Indemnifying Party and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel will be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and the representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or reasonably potential differing interests between them (such as the availability of different defences). The Indemnifying Party will not settle any Claim without the prior written consent of the Indemnified Party.

(b) If the Indemnifying Party does not elect to assume control of the investigation, defence, negotiation and settlement of the third party Claim, or if the Indemnifying Party, having elected to assume such control thereafter fails to diligently defend the third party Claim, the Indemnified Party will have the right to assume such control in such reasonable manner as it may deem appropriate, at the cost, risk and expense of the Indemnifying Party, and the Indemnifying Party will be bound by the results obtained by the Indemnified Party with respect to such third party Claim. The Indemnifying Party will have the right to participate in such defence at its own cost and expense.

10.5 Set-off and Subrogation. The indemnity obligations hereunder will be enforceable without right of set-off, counterclaim or defence as against the Indemnified Party. The Indemnifying Party will, upon payment of an indemnity in full under this Agreement, be subrogated to all rights of the Indemnified Party with respect to the claims and defences to which such indemnification relates.

**ARTICLE 11
DISPUTE RESOLUTION**

- 11.1** Subject to Section 11.4 below, all matters to be decided or agreed upon by the Parties under this Agreement and all disputes which may arise with respect to any matter governed by this Agreement shall at first instance be decided or resolved by the most senior Assigned Person or Designated Officer of each Party. Each Party acknowledges that it is in their mutual best interests to make all such decisions by mutual agreement and agrees to act reasonably and in good faith in order to permit and encourage their employees and officers to do so.
- 11.2** If the Assigned Person or Designated Officer noted above are not able to resolve any dispute referred to them within fifteen (15) days of such referral, or if they are not able to agree on any other matter required to be decided by them under this Agreement, either Party may refer the matter to arbitration in accordance with the provisions of the *Commercial Arbitration Act*, R.S.C., 1985, c. 17 (2nd Supp.).
- 11.3** No Party may bring legal proceedings in respect of any issue that is to be submitted to arbitration hereunder unless that Party has complied with subsection 11.1 and 11.2.
- 11.4** Notwithstanding the above, each Party reserves the right to seek equitable relief in a court of competent jurisdiction to protect Intellectual Property Rights, Confidential Information or Personal Information.

**ARTICLE 12
SURVIVAL OF TERMS OF AGREEMENT**

- 12.1** All of:
- (a) the Consultant's and any Assigned Person's obligations regarding confidentiality of information and ownership of Intellectual Property Rights under Articles 4 and 7 and Appendix B;
 - (b) the provisions regarding indemnification; and
 - (c) the provisions regarding dispute resolution,
- shall survive the expiration or termination of this Agreement for any reason whatsoever, as shall any other provision of this Agreement which, by the nature of the rights or obligations set out therein, might reasonably be expected to so survive.

**ARTICLE 13
GENERAL**

- 13.1 Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties pertaining to that subject matter. No supplement, modification or waiver or termination of

this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

- 13.2 Amendments.** This Agreement may be changed, amended or modified at any time by written instrument executed by the authorized representatives of the Parties, except for amendments to the list of Assigned Persons in Appendix A pursuant to Section 6.5 which only require the written consent of CDIC.
- 13.3 Renewal.** The term of this Agreement may be extended prior to the expiration hereof or this Agreement may be renewed for such period and on such terms and conditions as may be agreed upon in writing by the Parties.
- 13.4 Waiver.** No term or provision of this Agreement shall be deemed waived and no breach thereof shall be deemed excused unless such waiver or consent is in writing and signed by the Party waiving or consenting. No waiver or consent by any Party, whether express or implied, shall constitute a waiver or consent for any other term or provision or subsequent breach of such term or provision.
- 13.5 Assignment.** Neither this Agreement nor any part of, nor any right, title or interest under this Agreement shall be assigned, sub-contracted or otherwise transferred by the Consultant without CDIC's prior written consent, which consent may be withheld without reason. This Agreement shall enure to the benefit of and bind the Consultant and its successors and permitted assigns.
- 13.6 Publicity.** The Consultant shall not refer to this Agreement, nor to any of its rights or obligations under this Agreement, in any public forum, or for the purpose of promoting itself or its products or services, without the prior written consent of CDIC. The Consultant acknowledges that CDIC is subject to the *Access to Information Act* and, as a consequence, CDIC may be required to disclose any information contained in this Agreement including, but not limited to, the name of the Consultant and/or any Assigned Person, the Total Fee, the description of the Services and any Work Product arising therefrom. The Consultant also acknowledges that CDIC may refer to any information contained in this Agreement on its website.
- 13.7 No Solicitation.** The Parties agree that, unless otherwise agreed to by the Parties in writing, during the term of this Agreement neither Party shall directly or indirectly solicit as an employee or independent contractor an employee of or consultant to the other Party or a former employee of or consultant to the other Party that is or was involved in providing the Services under this Agreement.
- 13.8 Severability.** If any of the provisions contained in this Agreement are found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 13.9 Further Assurances.** The Parties hereto agree, from time to time after the execution of this Agreement, to make, do, execute or cause or permit to be made, done or executed all such further and other lawful acts, deeds, things, devices, conveyances and assurances in

law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

13.10 Enforceability. Each Party affirms that it has full power and authority to enter into and perform the terms of this Agreement, and that the person(s) signing this Agreement on behalf of each Party is (are) properly authorized and empowered to sign it. Each Party further acknowledges that prior to execution of this Agreement, it has read this Agreement, has had the opportunity to be advised by an independent legal advisor if it so desired, and that it understands and agrees to be bound by this Agreement.

13.11 Conflict. In the event of any conflict or inconsistency between this Agreement and the appendices to this Agreement, the terms and conditions set out in this Agreement shall prevail.

13.12 Remedies. The remedies expressly stated in this Agreement shall be cumulative and in addition to and not in substitution for those generally available at law or in equity.

13.13 Notices. Any notice required or permitted to be given hereunder in writing may be delivered (including by commercial courier) or sent by facsimile, email or other electronic transmission. Delivered notices shall be deemed received upon delivery during business hours. Notices sent by facsimile, email or other electronic transmission or delivered outside of business hours shall be deemed received on the next Business Day following the day of transmission or delivery. The addresses to be used for any deliveries or transmissions may be changed by notice given in accordance with this Section and, until so changed, shall be as follows:

if to the Consultant:

<*name + address*>

Attention: <*name*>, <*title*>

Fax: <*>

Telephone: <*>

Email: <*>

and if to CDIC:

Canada Deposit Insurance Corporation
50 O'Connor Street, 17th Floor
Ottawa, Ontario K1P 6L2

Attention: <*name*>, <*title*>

Fax: (613) <*>

Telephone: (613) <*>

Email: <*>@cdic.ca

13.14 Counterparts. This Agreement may be executed in any number of counterparts. Either Party may send a copy of its executed counterpart to the other Party by facsimile, email or other electronic transmission instead of delivering a signed original of that counterpart. Each executed counterpart (including each copy sent by other means) will be deemed to be an original; all executed counterparts taken together will constitute one agreement.

THE PARTIES HAVE EXECUTED this Agreement as of the latest date this Agreement is signed by all the Parties (Effective Date).

CANADA DEPOSIT INSURANCE CORPORATION

Name: <*>
Title: <*>

Date:

I have authority to bind the above corporation.

[Consultant's Name in Caps]

Name: **[Consultant's Representative's Name]**
Title: <*>

Date:

I have authority to bind the above corporation.

Appendix A
SERVICES AND FEES

1. Description of Services

The Consultant agrees to provide to CDIC certain services (the “**Services**”) in respect of internal audit advisory services, as outlined in the proposal (the “**Proposal**”) dated, <*> attached as Schedule 1 to this Appendix A.

In the event of any conflict or inconsistency between (i) this Appendix A and Articles 1 through 13 of the Agreement; and (ii) the attached Proposal, the terms and conditions of this Appendix A and of Articles 1 through 13 shall prevail.

2. Term

Subject to any earlier termination by CDIC pursuant to the Agreement, the term of this Agreement shall be:

Commencement Date: <*>.
Completion Date: <*>.

The term of this Agreement may be renewed or extended for up to two (2) consecutive one-year period(s) (each, a “**Renewal**”) to a maximum of five (5) year(s), at CDIC’s sole option and discretion.

3. Fees/Total Fees/Assigned Person(s)

The Consultant agrees to provide the Services at the following rate (the “**Fees**”):

[\$<*> Hourly rate **[OR]**
\$<*> *Per diem*]

Assigned Person(s): *[insert if applicable]*

Name: <*>
Title: <*>
[hourly rate or per diem]

The Parties confirm that the total fee to be paid by CDIC to the Consultant for the completion of the Services will not exceed \$<*> (the “**Total Fee**”). The Total Fee includes

all the Fees (to a maximum of \$<*>), any Disbursements, any Pre-approved Expenses and all applicable taxes.

4. Payment Scheduling

The Consultant shall provide an Invoice to CDIC on a **[monthly/quarterly]** basis.

[OR: The Consultant shall provide an Invoice to CDIC upon completion and Acceptance of [the Services] [OR: each phase of the Services].]

5. CDIC Designated Officer

Name: <*>

Title: <*>

6. Disclosure Regarding Non-Compliant Jurisdictions

[Insert "None" or describe any disclosures re: Article 4 of the Agreement, if any]

Appendix B

CONFIDENTIALITY, PRIVACY, CONFLICT OF INTEREST AND SECURITY

Any capitalized terms used herein but not defined have the meaning set out in the Agreement.

Confidentiality:

1. “**Confidential Information**” means
 - (a) any and all technical and non-technical information including patents, copyrights, trade secrets, proprietary information, techniques, sketches, drawings, models, inventions, know-how, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulae related to existing, proposed and future products and services;
 - (b) information concerning research, experiments, procurement requirements, manufacturing, customer lists, business forecasts, sales, merchandising and marketing plans;
 - (c) proprietary or confidential information of any third party that may rightfully be disclosed by CDIC to the Consultant;
 - (d) information which is expressly communicated as being or is marked as confidential;
 - (e) information which by its nature and the context in which it is disclosed is confidential;
 - (f) all information regarding CDIC or any of its business affairs, liabilities, assets, plans or prospects, including any and all information in respect to the Services and the provision of those Services;
 - (g) all information regarding any member or former member institution of CDIC, any parent or subsidiary corporation or affiliate thereof, or any of the business affairs, liabilities, assets, plans or prospects of any member or former member institution of CDIC or any parent or subsidiary corporation or affiliate thereof, disclosed to or received by the Consultant during or as a result of providing the Services, whether originating from CDIC or any other source; and
 - (h) all Work Product.
2. The Consultant shall not disclose any Confidential Information, unless such disclosure:
 - a. is compelled:
 - i. by law in connection with proceedings before a court, commission of inquiry or other public tribunal of competent jurisdiction;

- ii. by law at the request of any regulatory or supervisory authority having jurisdiction; or
 - iii. in accordance with the practices and procedures of Parliament (including any committee of the House of Commons or Senate of Canada);
 - b. is of information that is in the public domain or has come into the public domain other than by reason of a breach of this Appendix (and, for the purpose hereof, information is not considered to be in the public domain merely because it appears in a court file or other repository to which members of the public are capable of having access, but only if it has actually been disseminated to the general public, such as through the news media or the publication of annual or other reports);
 - c. is of information that has been, or is hereafter, received by the Consultant or any Assigned Person other than from or at the request of CDIC and other than during or as a result of providing the Services;
 - d. is part of the performance of any part of the Services which is to be done on a shared, cooperative or joint basis with such other persons at the request, or with the concurrence of the Designated Officer who have signed an agreement similar in form and substance to this Appendix; or
 - e. is made with the prior written consent of the Designated Officer.
3. If the Consultant believes that disclosure of Confidential Information is or is about to be required in one of the circumstances described in subsection 2.a, or in any circumstances not referred to in Section 2, it shall notify CDIC orally as soon as reasonably possible and as much in advance of the impending disclosure as possible, of the circumstances and scope of the disclosure and shall immediately confirm such oral notice in writing.
4. The Consultant agrees that it acquires no right, title or interest to any Confidential Information, except a limited right to use the Confidential Information in connection with the provision of the Services. All Confidential Information remains the property of CDIC or its members and no licence or other right, title or interest in the Confidential Information is granted hereby.
5. The Consultant agrees to protect the Confidential Information and prevent any wrongful use, dissemination or publication of the Confidential Information not permitted hereunder by a reasonable degree of care, but no less than the degree of care used to protect its own confidential information of a like nature.
6. On receipt of a written demand from CDIC, the Consultant shall immediately return all Confidential Information, including any copies thereof, and any memoranda, notes or other documents relating to the Confidential Information (the “**Confidential Material**”), or shall provide a written certificate to CDIC certifying the destruction of all Confidential Information and Confidential Material and other materials embodying CDIC Intellectual Property if instructed by CDIC to destroy such Information.

7. The Consultant acknowledges and accepts that, in the event of any breach or anticipated breach of this Appendix, damages alone would not be an adequate remedy, and agree that CDIC shall be entitled to equitable relief, such as an injunction, in addition to or in lieu of damages and without being required to prove that it has suffered or is likely to suffer damages.
8. All Confidential Information is provided “AS IS” and without any warranty, express, implied or otherwise, regarding its accuracy.
9. Unless expressly authorized in this Agreement or by CDIC in writing, Consultant shall, in accordance with reasonable industry standards, enforce policies, procedures and access control mechanisms to prevent the merger, linking or commingling of any Confidential Information or Personal Information with its own data or the data of any other person.

Privacy:

10. If CDIC intends to provide the Consultant with (or allow the Consultant to access or collect on CDIC’s behalf) any Personal Information as part of the Services, CDIC shall advise the Consultant of this fact, and the Consultant shall be required to comply with the following privacy obligations.
11. The Consultant shall comply at all times with all applicable laws and regulations relating to the collection, creation, use, storage and disclosure of Personal Information, and for greater certainty shall conduct itself so as to ensure that the Services comply with the *Privacy Act*.
12. The Consultant shall provide a copy of, or, where appropriate, a reference to, a privacy notice in a form acceptable to CDIC when collecting Personal Information on behalf of CDIC.
13. The Consultant shall not use or disclose any Personal Information except to the extent required to perform obligations under the Agreement or as otherwise permitted under applicable law. If, in performing its obligations under the Agreement, the Consultant is required to disclose Personal Information to a third party, the Consultant shall, prior to disclosing such Personal Information, advise CDIC in writing of the proposed use of the Personal Information by the third party. If CDIC consents to the disclosure, the Consultant shall require the third party to enter into an agreement imposing obligations upon the third party with respect to the collection, use and disclosure of the Personal Information that are substantially similar to the obligations set out herein, failing which, the Personal Information shall not be disclosed except in accordance with applicable law.
14. The Consultant shall promptly notify CDIC in writing and assist CDIC in resolving any claim, inquiry, active or pending investigation, complaint that is made to the Consultant or filed with competent authorities, or any remedial action that either has been ordered to take by competent authorities regarding the collection, storage, use or disclosure of Personal Information by the Consultant.

15. The Consultant shall retain the Personal Information only for so long as is reasonably necessary to complete the purposes for which the Personal Information was provided and as otherwise permitted by applicable law, unless otherwise specified by CDIC in writing (collectively, the “**Retention Period**”) – and upon the expiry of the Retention Period, shall return to CDIC, or as directed by CDIC, delete or destroy the Personal Information. The Retention Period shall (unless otherwise specified by CDIC in writing) automatically expire on the date on which the Agreement expires or is terminated for any reason whatsoever. Upon request, the Consultant shall provide CDIC with a written certificate certifying the destruction of the Personal Information or the return to CDIC of all Personal Information (as applicable).

Conflict of interest:

16. CDIC requires any persons entering into any agreement with CDIC, supplying services to, or performing any work for or in regards to CDIC, to conduct their affairs in such a way as to avoid any conflict of interest. The Consultant hereby represents and declares that, after due inquiry, it is not aware of any circumstances which do or might cause the Consultant to have a conflict of interest in carrying out the Services. The Consultant agrees not to enter into any contract or other commitment with any person during the term of the Agreement that would cause a conflict of interest on the Consultant’s part in connection with the performance of the Services.

Security:

Protection of Information

17. The Consultant confirms that Services involving Personal Information or other “**Protected Information**”, as that term is defined in CDIC’s *Information Classification Standard* will be handled in accordance with CDIC’s *IT Asset and Information Handling Standard* and *Cryptography Procedure* and other security procedures, as applicable. Where the Consultant cannot meet the requirements of the procedure, Services involving Personal Information or other Protected Information will be performed on CDIC’s premises only, using CDIC computer systems exclusively or, where applicable, specific remote access or other technology approved by CDIC in writing (“**Access Technology**” as set out below). The Consultant shall require that no Protected Information is removed from CDIC premises at any time during the Term of the Agreement, except where transmitted using the Access Technology.

CDIC has adopted Access Technology as a means for the secure electronic transmission of designated information, classified up to a Protected “B” level, over the Internet. In order for CDIC to provide Access Technology accounts to any Assigned Persons, the Consultant agrees that the Consultant shall, in addition to any other term herein, use the Access Technology in accordance with the following terms and conditions:

- (i) CDIC shall designate one or more Assigned Persons to be known as Token Registration Authorities (“**TRAs**”) who shall be responsible for

coordinating the applications by, and for verifying the identify of, each Assigned Person for whom CDIC agrees to provide an Access Technology account;

- (ii) CDIC reserves the right to refuse to issue an Access Technology account to any or all Assigned Persons;
- (iii) Consultant shall be required to complete application forms to obtain Access Technology tokens with the approval of CDIC, together with training to be provided by CDIC concerning the administration of the Access Technology;
- (iv) The Consultant shall require all Assigned Persons with Access Technology accounts to keep their respective Access Technology tokens and passwords confidential, and to take all reasonable measures to prevent the loss, unauthorized disclosure, modification or improper use of any Access Technology token or associated password;

The Consultant shall prohibit each Assigned Person from sharing their Access Technology token or associated password with any other person;

- (v) The Consultant shall require that all CDIC data accessed and modified by the Consultant and its Assigned Persons while using the Access Technology is re-saved only to the CDIC network. The Consultant and its Assigned Persons shall not transfer, save or send any copies of CDIC data to a non-CDIC computer system, nor create hard copies of the data, without the express written consent of CDIC;
- (vi) The Consultant shall promptly advise CDIC if any Assigned Person's Access Technology token or associated password is, was or may be compromised or not secure, and shall likewise require Assigned Persons to promptly report any such incidents to the Consultant;
- (vii) The Consultant shall promptly advise CDIC if (a) any Assigned Person ceases to be involved in providing the Services or (b) any of the information contained in an Assigned Person's Access Technology application changes or becomes otherwise inaccurate or incomplete;
- (viii) The Consultant acknowledges and agrees that the Access Technology is for the sole use of the Consultant in connection with the delivery of the Services to CDIC. The Consultant shall not permit anyone other than an approved Assigned Person and CDIC to access the Access Technology and related software, or to authenticate Access Technology passwords in accordance with this Agreement;
- (ix) The Consultant shall require that any operating software and computer virus

software that is installed on all computer systems to be used by the Assigned Persons in connection with the Access Technology is acceptable to CDIC, and will update or install such software as CDIC may request to maintain the security of the Protected Information. The Consultant acknowledges that if the software required by CDIC is not installed properly on any computer systems used by Assigned Persons in connection with the Services, then access to the Access Technology and the CDIC network, and any use of the Access Technology, may be denied and will be at the Consultant's risk;

- (x) CDIC reserves the right to revoke or modify any Access Technology account provided to any Assigned Person at any time, without notice and in its sole discretion, including without limitation if a Access Technology token or password was, is or is suspected of being compromised, or if an Assigned Person is no longer involved in providing the Services. All Access Technology accounts shall be revoked by CDIC and all Access Technology tokens promptly returned by the Consultant when the Agreement between CDIC and the Consultant expires or is terminated, whichever occurs earlier;
- (xi) The Consultant acknowledges that the Access Technology software is subject to intellectual property licenses and restrictions and agrees to adhere to the terms and conditions outlined in this Agreement concerning the use of such software. In particular, and without limiting the generality of other provisions in this Agreement, the Consultant shall not tamper with, alter, destroy, modify, reverse engineer, decompile, or abuse the Access Technology software or tokens in any way, nor distribute or use the software or tokens for any purpose other than for dealings with CDIC;
- (xii) The Consultant acknowledges and agrees that it shall be jointly and severally liable with each Assigned Person for any breach of the above terms concerning the use of the Access Technology software by any such Assigned Person; and
- (xiii) CDIC cannot warrant or represent that the Access Technology will be always available or functional, including without limitation because of events such as system maintenance and repair, or events outside the reasonable control of CDIC, or that occurred without the fault or neglect of CDIC.

Security Clearance

18. If the performance of the Services involves Personal Information or other Protected Information, the Consultant shall require that all the Assigned Persons or any Subcontractors' personnel who will perform the Services either:
 - (a) as of the Commencement Date, have a minimum security clearance of "Reliability", as that term is defined in CDIC's *Personnel Security Standard* or such other security clearance level as requested by CDIC; or

- (b) within one (1) week of the Commencement Date, the Consultant will apply to obtain the necessary security clearance.

The Consultant agrees that once the required level of security clearance is obtained by an Assigned Person or any Subcontractor's personnel, it shall cause each Assigned Person or Subcontractor's personnel to maintain his or her respective security clearance for the duration of his or her work during the term of the Agreement.

[END OF SCHEDULE "F" (FORM OF PROFESSIONAL SERVICES AGREEMENT)]