

**REQUEST FOR PROPOSALS
FOR
PROVISION OF ACTUARIAL SERVICES
For the Department of Agriculture and Fisheries**

Request for Proposal Number: 5048
Date Issued: May 18, 2018
Submission Deadline: June 12, 2018; 2:00 AST

Tables of Contents

PART 1 – INVITATION AND SUBMISSION INSTRUCTIONS.....	3
1.1 Invitation to Proponents.....	3
1.2 RFP Contact.....	3
1.3 Type of Contract for Deliverables.....	4
1.4 RFP Timetable.....	4
1.5 Submission of Proposals	5
PART 2 – EVALUATION OF PROPOSALS	7
2.1 Stages of Evaluation	7
2.3 Stage II – Evaluation.....	7
2.4 Stage III – Pricing	8
2.5 Selection of Highest Scoring Proponent.....	8
2.6 Notification to Other Proponents.....	8
PART 3 – TERMS AND CONDITIONS OF THE RFP PROCESS	9
3.1 General Information and Instructions.....	9
3.2 Business Registration	10
3.3 Communication after Issuance of RFP.....	10
3.4 Execution of Agreement, Notification and Debriefing.....	11
3.5 Conflict of Interest and Prohibited Conduct	11
3.6 Confidential Information	12
3.7 Reserved Rights, Limitation of Liability and Governing Law	13
APPENDIX A – FORM OF AGREEMENT	15
APPENDIX B – SUBMISSION FORM	23
APPENDIX C – SUBMISSION PRICING FORM	26
APPENDIX D – RFP PARTICULARS	28
D.1 The Deliverables	28
D.2 Material Disclosures	32
D.3 Mandatory Technical Requirements	32
D.4 Rated Criteria.....	33
APPENDIX E - Prince Edward Island Agricultural Insurance Corporation Overview of 2019 Premium Rate Methodology	36
APPENDIX F – 2018 AGRINSURANCE AGREEMENT	41
APPENDIX G – LIVESTOCK INSURANCE AGREEMENT	42

PART 1 – INVITATION AND SUBMISSION INSTRUCTIONS

1.1 Invitation to Proponents

This Request for Proposals (the “RFP”) is an invitation by the Province Prince Edward Island (“the “Province”) to prospective Proponents to submit proposals for the Provision of Actuarial Services as further described in the **RFP Particulars (Appendix D)** (the “Deliverables”).

The Prince Edward Island Department of Agriculture and Fisheries and Agriculture and Agri-Food Canada (AAFC) have entered into a new five-year agreement for agriculture called the Canadian Agricultural Partnership (CAP). CAP represents a commitment from Canada's Federal, Provincial and Territorial Ministers of Agriculture for a new policy framework that will support a more profitable and competitive sector.

Prominent among the elements of the CAP agreement is the provision of AgriInsurance (production insurance). In PEI, this function is vested in the Agricultural Insurance Corporation (PEIAIC) and administered by PEI Department of Agriculture and Fisheries staff.

The Federal-Provincial agreement enabling the cost-shared production insurance program, administered through PEIAIC, calls for periodic certification of probable yield methodologies, premium rate methodologies and the self-sustainability of the provincial insurance scheme. Specifically, the Canada Production Insurance Regulations require PEIAIC to submit the following opinions in order to receive the full financial contributions from the federal government:

- a) “An opinion, signed by an actuary, stating that the premium rate methodologies have been established in an actuarially sound manner”, and
- b) “An opinion, signed by an actuary, stating that the insurance program is self-sustaining”, and
- c) “An opinion, signed by an actuary, stating that the probable yield methodologies result in yields that accurately reflect an agricultural product’s demonstrated production capability”.

The Actuary referred to above, must be a Fellow of the Canadian Institute of Actuaries (FCIA). In addition, actuarial certification documents must provide the analytical information and documentation required under the applicable current National Certification Guidelines, available from Agriculture and Agri-Food Canada.

1.2 RFP Contact

Questions about this RFP should be directed to the individuals listed below, or their designate(s). Information that is obtained from any other source is not official and may be inaccurate.

For Department	For Procurement Services
Dr. Robert D. Macgregor Policy Analyst PEI Agricultural Insurance Corp. 7 Gerald McCarville Drive Kensington, Prince Edward Island C0B 1M0 Email: rdmacgregor@gov.pe.ca Phone: (902) 836-0434	Ian Burge Manager Procurement Services 95 Rochford Street, Second Floor Shaw Building South, Room 27 P.O. Box 2000 Charlottetown, PEI C1A 7N8 Email: ikburge@gov.pe.ca Phone: (902) 368-4041

Proponents and their representatives are not permitted to contact any employees, officers, agents, elected or appointed officials or other representatives of the Province, other than the RFP Contact or their designate, concerning this RFP. Failure to adhere to this rule may result in the disqualification of the Proponent and the rejection of the Proponent’s proposal.

1.3 Type of Contract for Deliverables

The selected Proponent will be required to enter into an agreement with the Province for the provision of the Deliverables in the form attached as **Appendix A** to the RFP (the “Agreement”). The initial term of the agreement will be for a period of **nine (9) months**. The Province reserves the right to extend the agreement for **three (3) months** beyond the initial term, for an overall potential maximum of **one** year in total.

1.4 RFP Timetable

Issue Date of RFP	18 May 2018
Deadline for Questions	25 May 2018
Deadline for Issuing Addenda	29 May 2018
Submission Deadline	2 pm AST, 12 June 2018
Anticipated Execution of Agreement	25 June 2018

The RFP timetable is tentative only, and may be changed by the Province at any time.

1.5 Submission of Proposals

1.5.1 Proposals to be submitted at the Prescribed Location

Proposals must be submitted at:

PROCUREMENT SERVICES

95 Rochford Street
2nd Floor South, Shaw Building,
Room 27, Charlottetown, PE, C1A 7N8

1.5.2 Proposals to be submitted on Time

Proposals must be submitted at the location set out above on or before the Submission Deadline as indicated in section 1.4. The Proponent is solely responsible for the delivery of its proposal to the exact location (including floor, if applicable) indicated in this RFP on or before the Submission Deadline. The Province does not accept any responsibility for proposals delivered to any other location by the Proponent or its delivery agents. Proposals submitted after the Submission Deadline will be rejected. The Province's time clock will be deemed to be correct.

1.5.3 Proposals to be submitted in Prescribed Format

In a sealed package, Proponents should submit their proposal containing **three (3)** hard copies of their proposal and one (1) electronic copy saved as a Portable Document Format (PDF) on a USB flash drive, unless otherwise indicated. The file name on the electronic copy should include an abbreviated form of the Proponent's name and RFP#. If there is a conflict or inconsistency between the hard copy and the electronic copy of the proposal, the hard copy of the proposal shall prevail. In the interest of environmental sustainability, please refrain from using binders, binding, plastic covers, or similar fastening or presentation materials when submitting the proposal. Similarly, unless specifically requested in this solicitation document, Proponents should not submit product catalogues, swatches, or other marketing materials with their bid. Sealed packages should be prominently marked with:

- the RFP title and number (see RFP cover)
- the full legal name and return address of the Proponent

The Province will not accept proposals submitted by **facsimile transfer, email, or any other electronic means**.

1.5.4 Amendment of Proposals Prior to Submission Deadline

Proponents may amend their proposals prior to the Submission Deadline by submitting the amendment in a sealed package prominently marked with the RFP title and number and the full legal name and return address of the Proponent to the location set out in section 1.5.1 Any amendment must clearly indicate which part of the proposal the amendment is intended to amend or replace. Any amendments

received after the Submission Deadline will not be accepted. Amendment must be signed by the person who signed the original proposal submission or by a person authorized to sign on his or her behalf.

1.5.5 Withdrawal of Proposals

Proponents may withdraw their proposals prior to the Submission Deadline. To withdraw a proposal, a notice of withdrawal must be received by the RFP Contact prior to the Submission Deadline and must be signed by an authorized representative of the Proponent. The Province is under no obligation to return withdrawn proposals.

1.5.6 Proposals Irrevocable after Submission Deadline

Proposals shall be irrevocable for a period of **Ninety (90)** days from the Submission Deadline.

[End of Part 1]

PART 2 – EVALUATION OF PROPOSALS

2.1 Stages of Evaluation

The Province will conduct the evaluation of proposals in the following three stages:

2.2 Stage I: Mandatory Submission Requirements

Stage I will consist of a review to determine which proposals comply with all of the Mandatory Submission requirements. Proposals that do not comply with all of the Mandatory Submission requirements as of the Submission Deadline will be disqualified and not evaluated further.

The Mandatory Submission Requirements are as follows:

2.2.1 No Amendment to Forms

Other than inserting the information requested on the mandatory submission forms set out in the RFP, a Proponent may not make any changes to any of the forms. Any proposal containing any such changes, whether on the face of the form or elsewhere in the proposal, will be disqualified.

2.2.2 Submission Form (Appendix B)

Each proposal must include a completed **Submission Form (Appendix B)** signed by an authorized representative of the Proponent.

2.2.3 Submission Pricing Form (Appendix C)

Each proposal must include a Submission Pricing Form (**Appendix C**) completed according to the instructions contained in the form.

2.3 Stage II – Evaluation

Stage II will consist of the following two sub-stages:

2.3.1 Mandatory Technical Requirements

The Province will review the proposals to determine whether the mandatory technical requirements as set out in the **RFP Particulars (Appendix D)** have been met. Questions or queries on the part of the Province as to whether a proposal has met the mandatory technical requirements will be subject to the verification and clarification process set out in Section 3.3.4. If the Proponent fails to satisfy the mandatory technical requirements, its proposal will be excluded from further consideration.

2.3.2 Rated Criteria

The Province will evaluate each compliant proposal on the basis of the rated criteria as set out in Section D of the **RFP Particulars (Appendix D)**. The following is an overview of the categories and weighting for the rated criteria of the RFP. Proponents who do not meet a minimum threshold score for a category will not proceed to the next stage of the evaluation process.

Rated Criteria Category	Weighting (Points)	Minimum Threshold
D.4.1 Executive Summary	5 points	
D.4.2 Proposed Approach/Process, Project Plan	10 points	
D.4.3 Demonstrated Expertise	20 points	
D.4.4 Project References	20 points	
D.4.5 Proposed Project Manager, Resume and References	5 points	
D.4.6 Proposed Resources Manager, Resume and References Experience and Qualifications	10 points	
Subtotal A	70 points	
Stage III Pricing – (Appendix C – Submission Pricing Form)	30 points	
Total Points	100 points	

2.4 Stage III – Pricing

Stage III will consist of a scoring of the submitted pricing of compliant proposals in accordance with the price evaluation set out in the **Submission Pricing Form (Appendix C)**. The evaluation of price will be undertaken after the evaluation of mandatory submission requirements, mandatory technical requirements, and rated criteria has been completed.

2.5 Selection of Highest Scoring Proponent

After the completion of Stage III, all scores from Stage II and Stage III will be added together and each Proponent will be ranked based on its total score. The Proponent with the highest score will be selected to enter into the Agreement in accordance with Part 3. Upon finalization of the Agreement with the Province, the Proponent shall thereafter be known as the successful Proponent.

2.6 Notification to Other Proponents

Once an agreement is finalized and executed by the Province with a Proponent, the other Proponents will be notified in accordance with the Terms and Conditions of the RFP Process (Part 3).

[End of Part 2]

PART 3 – TERMS AND CONDITIONS OF THE RFP PROCESS

3.1 General Information and Instructions

3.1.1 RFP Incorporated into Proposal

All of the provisions of this RFP are deemed to be accepted by each Proponent and incorporated into each Proponent's proposal. A Proponent who submits conditions, options, variations or contingent statements inconsistent with the terms set out in this RFP, including the terms of the Agreement in Appendix A, either as part of its proposal or after receiving notice of selection, will be disqualified.

3.1.2 Proponents not to change terminology

Changes to the terminology of this RFP are prohibited

3.1.3 Proponents to Follow Instructions

Proponents should structure their proposals in accordance with the instructions in this RFP. Where information is requested in this RFP, any response made in a proposal should reference the applicable section numbers of this RFP.

3.1.4 Language

All proposals are to be in English, or both English and French. If there is a conflict or inconsistency between the English version and the French version of the proposal, the English version of the proposal shall prevail.

3.1.5 No Incorporation by Reference

The entire content of the Proponent's proposal should be submitted in a fixed form, and the content of websites or other external documents referred to in the Proponent's proposal but not attached will not be considered to form part of its proposal.

3.1.6 References and Past Performance

In the evaluation process, the Province may include information provided by the Proponent's references and may also consider the Proponent's past performance or conduct on previous contracts with the Province.

3.1.7 Information in RFP Only an Estimate

The Province makes no representation, warranty or guarantee as to the accuracy of the information contained in this RFP, received from the RFP contact or issued by way of addenda. Any quantities shown or data, or opinion contained in this RFP or provided by way of addenda are estimates only and are for the sole purpose of indicating to Proponents the general scale and scope of the Deliverables. It is the Proponent's responsibility to obtain all the information necessary to prepare a proposal in response to this RFP.

3.1.8 Proponents to Bear Their Own Costs

The Proponent shall bear all costs associated with or incurred in the preparation and presentation of its proposal, including, if applicable, costs incurred for interviews, presentations or demonstrations.

3.1.9 Proposal to be retained by the Province

The Province will not return the proposal or any accompanying documentation submitted by a Proponent.

3.1.10 No Guarantee of Volume of Work or Exclusivity of Contract

The Province makes no guarantee of the value or volume of work to be assigned to the successful Proponent. The agreement to be negotiated with the selected Proponent will not be an exclusive contract for the provision of the described Deliverables. The Province may contract with others for goods and services the same as, or similar, to the Deliverables or may obtain such goods and services from resources within the Province.

3.2 Business Registration

Proponents may be required to be registered to carry on business in accordance with applicable laws. For information on the business registration requirements of the Consumer, Corporate and Financial Services, Department of Justice and Public Safety, please consult:

<https://www.princeedwardisland.ca/en/topic/business-name-registration>

The status of a Proponent's business registration does not preclude the submission of a proposal in response to this RFP. A proposal can be accepted for evaluation, regardless of (i) whether the company is registered, or (ii) whether its business registration is in good standing. However, if the Proponent is selected as the successful Proponent, that Proponent must bring itself into compliance prior to the execution of the Agreement.

3.3 Communication after Issuance of RFP

3.3.1 Proponents to Review RFP

Proponents shall promptly examine all of the documents comprising this RFP, and report any errors, omissions, or ambiguities; and direct questions or seek additional information in writing by email to the RFP Contact on or before the Deadline for Questions. No such communications are to be directed to anyone other than the RFP Contact. The Province is under no obligation to provide additional information, and the Province will not be responsible for any information provided by or obtained from any source other than the RFP Contact. It is the responsibility of the Proponent to seek clarification from the RFP Contact on any matter it considers to be unclear. The Province will not be responsible for any misunderstanding on the part of the Proponent concerning this RFP or its process.

3.3.2 All New Information to Proponents by Way of Addenda

This RFP may be amended only by addendum in accordance with this section. If the Province, for any reason, determines that it is necessary to provide additional information relating to this RFP, such information will be communicated by addendum on the **Prince Edward Island Tendering Site**. Each addendum forms an integral part of this RFP and may contain important information, including significant changes to this RFP. Proponents are responsible for obtaining all addenda issued by the Province and will be deemed to have read all posted addenda.

3.3.3 Post-Deadline Addenda and Extension of Submission Deadline

If the Province determines that it is necessary to issue an addendum after the Deadline for Issuing Addenda, the Province may extend the Submission Deadline for a reasonable period of time.

3.3.4 Verify and Clarify

During the evaluation process, the Province may request further information from the Proponent or third parties in order to verify or clarify the information provided in the Proponent's proposal, including but not limited to clarification with respect to whether a proposal meets the mandatory technical requirements set out in the RFP Particulars (Appendix D). The Province may revisit and re-evaluate the Proponent's response or ranking on the basis of any such information.

3.4 Execution of Agreement, Notification and Debriefing

3.4.1 Selection of Proponent and Execution of Agreement

The Province will notify the selected Proponent in writing. The selected Proponent shall execute the Agreement in the form attached as **Appendix A** to this RFP and satisfy any other applicable conditions of this RFP within fifteen (15) days of notice of selection.

3.4.2 Failure to Enter into Agreement

In addition to all of the Province's other remedies, if a selected Proponent fails to execute the Agreement or satisfy any other applicable conditions within fifteen (15) days of notice of selection, the Province may, in its sole and absolute discretion and without incurring any liability, withdraw the selection of that Proponent and proceed with the selection of another Proponent or cancel the RFP Process.

3.4.3 Notification of Outcome of Procurement Process

Once an agreement is executed by the Province with a Proponent, notification of the outcome of the Procurement process will be posted on the **Prince Edward Island Tendering Site**.

3.4.4 Debriefing

Proponents may request a debriefing after notification of the outcome of the procurement process. All requests must be in writing to the RFP Contact and must be made within sixty (60) days of notification of the outcome of the procurement process. The intent of the debriefing information session is to aid the Proponent in presenting a better proposal in subsequent procurement opportunities. Any debriefing provided is not for the purpose of providing an opportunity to challenge the procurement process or its outcome.

3.5 Conflict of Interest and Prohibited Conduct

3.5.1 Conflict of Interest

The Province may disqualify a Proponent for any conduct, situation or circumstance, determined by the Province, in its sole and absolute discretion, to constitute a Conflict of Interest. For the purposes of this Section, "Conflict of Interest" has the meaning ascribed to it in the **Submission Form (Appendix B)**.

3.5.2 Disqualification for Prohibited Conduct

The Province may disqualify a Proponent, or terminate an agreement entered into if the Province, in its sole and absolute discretion, determines that the Proponent has engaged in any conduct prohibited by this RFP.

3.5.3 Prohibited Proponent Communications

A Proponent shall not engage in any communications that could constitute a Conflict of Interest and must take note of the Conflict of Interest declaration set out in the Submission Form (Appendix B).

3.5.4 Proponent not to Communicate with Media

A Proponent may not at any time directly, or indirectly, communicate with the media in relation to this RFP or any agreement entered into pursuant to this RFP without consent of the Province, and then only in coordination with the Province.

3.5.5 No Lobbying

A Proponent shall not, in relation to this RFP or the evaluation and selection process, engage directly or indirectly in any form of political or other lobbying whatsoever to influence the selection of the successful Proponent.

3.5.6 Illegal or Unethical Conduct

Proponents shall not engage in any illegal business practices, including without limitation activities such as bid-rigging, price-fixing, bribery, fraud, coercion or collusion. Proponents shall not engage in any unethical conduct, including lobbying, as described above, or other inappropriate communications; offering gifts to any employees, officers, agents, elected or appointed officials or other representatives of the Province; submitting proposals containing misrepresentations or other misleading or inaccurate information; or any other conduct that compromises or may be seen to compromise the competitive process provided for in this RFP.

3.5.7 Rejection of Proposals

The Province may reject a proposal based on past performance or based on inappropriate conduct, including but not limited to the following:

- (a) illegal or unethical conduct as described above;
- (b) the refusal of the Proponent to honour its submitted pricing or other commitments;
- (c) any conduct, situation or circumstance determined by the Province, in its sole and absolute discretion, to have constituted an undisclosed Conflict of Interest;
- (d) the Province's past experience with the Proponent within the 18 month period prior to the Submission Deadline for similar or related services; or
- (e) any information provided to the Province by any references of the Proponent, pursuant to either section 3.1.6 or section 3.7.1(e) of this RFP.

3.6 Confidential Information

3.6.1 Confidential Information of the Province

All information provided by or obtained from the Province in any form in connection with this RFP either before or after the issuance of this RFP

- (a) is the sole property of the Province and must be treated as confidential;
- (b) is not to be used for any purpose other than replying to this RFP and the performance of the agreement for the Deliverables;
- (c) must not be disclosed without prior written authorization from the Province; and
- (d) must be returned by the Proponent to the Province immediately upon request of the Province

3.6.2 Confidential Information of Proponent

A Proponent should identify any information in its proposal or any accompanying documentation supplied in confidence for which confidentiality is to be maintained by the Province. The confidentiality of such information will be maintained by the Province, except as otherwise required by law or by order of a court or tribunal. Proponents are advised that their proposals will, as necessary, be disclosed, on a confidential basis, to advisers retained by the Province to advise or assist with the RFP process, including the evaluation of proposals.

Proponents are also advised that all documents forming part of the RFP process, including all submitted proposals, are subject to the *Freedom of Information and Protection of Privacy Act* R.S.P.E.I. 1988, Cap. F-15.01 ("FOIPP"). A copy of FOIPP is available online at:

https://www.princeedwardisland.ca/sites/default/files/legislation/f-15-01_0.pdf

3.6.3 Personal Information

The *Freedom of Information and Protection of Privacy Act* R.S.P.E.I. 1988, Cap. F-15.01 ("FOIPP") governs the collection, use and disclosure of personal information by the Province and its service providers. The successful Proponent shall be required to comply with all requirements of FOIPP during the term of the Agreement.

A copy of FOIPP is available online at:

https://www.princeedwardisland.ca/sites/default/files/legislation/f-15-01_0.pdf

3.7 Reserved Rights, Limitation of Liability and Governing Law

3.7.1 Reserved Rights of the Province

The Province reserves the right to:

- (a) make public the names of any or all Proponents;
- (b) request written clarification in relation to a Proponent's proposal;
- (c) waive minor formalities that do not constitute Mandatory Submission requirements or Mandatory Technical requirements;
- (d) verify with any Proponent or with a third party any information set out in a proposal;
- (e) check references other than those provided by any Proponent;
- (f) disqualify any Proponent whose proposal contains misrepresentations or any other inaccurate or misleading information;
- (g) disqualify any Proponent or the proposal of any Proponent who has engaged in conduct prohibited by this RFP;
- (h) amend this RFP process without liability at any time prior to the execution of a written agreement between the Province and a Proponent. These changes are issued by way of addendum in the manner set out in this RFP;
- (i) cancel this RFP process without liability at any time prior to the execution of a written agreement between the Province and a Proponent. A cancellation is communicated by way of addendum in the manner set out in this RFP. The Province may in its sole discretion issue a new RFP for the same or similar Deliverables; or
- (j) reject any or all proposals.

These reserved rights are in addition to any other express rights or any other rights that may be implied in the circumstances, or that the Province has at law.

3.7.2 Limitation of Liability

By submitting a proposal, each Proponent agrees that:

- (a) neither the Province nor any of its employees, officers, agents, elected or appointed officials, advisors or representatives will be liable, under any circumstances, for any claim arising out of this proposal process including but not limited to costs of preparation of the proposal, loss of profits, loss of opportunity or for any other claim; and
- (b) the Proponent waives any claim for any compensation of any kind whatsoever, including claims for costs of preparation of the proposal, loss of profit or loss of opportunity by reason of the Province's decision to not accept the proposal submitted by the Proponent, to enter into an agreement with any other Proponent or to cancel this proposal process, and the Proponent shall be deemed to have agreed to waive such right or claim.

3.7.3 Governing Law and Interpretation

These terms and conditions of the RFP Process (Part 3):

- (a) are intended to be interpreted broadly and independently (with no particular provision intended to limit the scope of any other provision);
- (b) are non-exhaustive and shall not be construed as intending to limit the pre-existing rights of the parties to engage in pre-contractual discussions in accordance with the common law governing direct commercial negotiations; and
- (c) are to be governed by and construed in accordance with the laws of the province of Prince Edward Island and the federal laws of Canada applicable therein.

[End of Part 3]

APPENDIX A – FORM OF AGREEMENT

**SAMPLE CONTRACT
NAME OF AGREEMENT**

THIS AGREEMENT made this _____ day of _____, 20____.

BETWEEN: **GOVERNMENT OF PRINCE EDWARD ISLAND**, as represented by
the Minister of _____,

(hereinafter referred to as "Government")

OF THE FIRST PART;

AND: _____
of _____
in _____ County, Province of _____,

(hereinafter referred to as the "Contractor")

OF THE SECOND PART.

WHEREAS Government wishes to engage the services of the Contractor to carry out the services described in Schedule "A" attached hereto;

AND WHEREAS the Contractor has agreed to provide Government with these services on certain terms and conditions as more particularly set out in this Agreement.

NOW THEREFORE in consideration of the mutual promises contained in this Agreement, the Parties agree that the terms and conditions of their relationship are as follows:

Definitions

1. In this Agreement, the following definitions apply:
 - a. "Fiscal Year" means ...
 - b. "Schedule" means ...

Covenants of the Contractor and Government

2. The Contractor shall perform the services, assume all those responsibilities and diligently execute all those duties described in the attached Schedule "A" (the "Work"), in a manner satisfactory to Government.

3. (a) Subject to the termination clause contained in the Termination section of this Agreement, the term of this Agreement shall commence on the ____ day of ____, 20__, and end on the ____ day of ____, 20__.
- (b) Subject to the termination clause contained in the Termination section of this Agreement, and notwithstanding the date of signing of this Agreement, it is acknowledged by both Parties that the Contractor commenced the performance of the Work on the ____ day of ____, 20__. It is further agreed that the amount of \$____ is the maximum amount to be paid for the Work and includes all amounts which may be owed for the Work done since the ____ day of ____, 20__.

Payments, Records and Accounts

4. The Government shall make payments to the Contractor in the following manner:
- (a) Payment for the Work shall be at the rate of \$_____ per hour, excluding taxes, but in no case shall the total payment exceed \$_____;
- OR
- (a) Payment for the Work shall be a fixed lump sum of \$_____, excluding taxes, payable in installments, *as follows: [i.e. List dates (milestones) when payments will be made including amount to be paid on each date]*
- AND, IF APPLICABLE
- (b) Government shall pay all expenses of the Contractor, excluding taxes, up to a maximum of \$_____, based on expenses actually incurred and verified by receipt.
- (c) The payments described herein shall be paid upon the basis of the submission by the ____ day of ____, 20__ of a detailed statement together with all necessary receipts. Such statements shall be submitted to Government and Government shall pay the amount owing within ____ days of receipt.
- (d) All payments are subject to a hold back of an amount equal to __% of the amount billed. The hold back shall be paid upon the submission and acceptance of the final report and completion of the Work.
- OR
- (d) All payments are subject to a hold back of an amount equal to ____% of the amount billed. The hold back shall be paid upon the submission and acceptance of the final report and completion of the work.
- (e) The Contractor shall keep proper accounts and records of the cost to the Contractor of the Work and of all expenditures or commitments made by the Contractor under this Agreement including the related invoices, receipts and vouchers. Such accounts, invoices, receipts and vouchers shall, at all times, be open to audit, copying, extracting information and inspection by the authorized representatives of Government. The Contractor shall provide all facilities for the audits, inspections, copying and extractions and shall provide Government and its authorized representatives with all information that is requested from the accounts, records, invoices, receipts and vouchers.

- (f) Subject to statutory limitations, the Contractor shall not, without the written consent of Government, dispose of the accounts, records, invoices, receipts and vouchers related to this Agreement, but shall preserve and keep the same available for audit, copying, extracting information and inspections at any time.

Conditions of Agreement

- 5.
 - (a) The Parties agree that the Contractor shall act as an independent contractor and that it is entitled to no other benefits or payments whatsoever than those specified in the Payments, Records and Accounts section of this Agreement.
 - (b) The Parties agree that entry into this Agreement will not result in the appointment or employment of the Contractor, or any officer, clerk, employee or agent of the Contractor, as an officer, clerk, employee or agent of Government, nor shall the *Civil Service Act* R.S.P.E.I. 1988, Cap. C-8 apply.
- 6.
 - (a) The Contractor agrees to accept sole responsibility to submit any applications, reports, payments or contributions for sales taxes, income tax, Canada Pension Plan, Employment Insurance, Workers' Compensation assessments, goods and services tax, harmonized sales tax, or any other similar matter which the Contractor may be required by law to make in connection with the Work.
 - (b) The Contractor agrees to accept sole responsibility to comply with all federal, provincial and municipal legislation which may have application to the Work and agrees to comply with all provincial and federal legislation affecting conditions of work and wage rates including the *Employment Standards Act* R.S.P.E.I. 1988, Cap. E-6.2, the *Workers' Compensation Act* R.S.P.E.I. 1988, Cap. W-7.1, or any other laws that impose obligations in the nature of the employers' obligations.
 - (c) The Contractor, before undertaking any Work shall provide to Government either a certificate of good standing by the Workers Compensation Board or written confirmation from the Workers Compensation Board that such certificate is not required.
 - (d) The Contractor agrees to accept the full cost of doing those things required under this paragraph, and will not charge or seek reimbursement from Government in any way, such costs having been taken into consideration and included in the rates of payment stipulated in Payments, Records and Accounts section of this Agreement.
- 7. Any payment under this Agreement is subject to a provincial appropriation for the payment being approved by the Legislative Assembly of Prince Edward Island for Government's fiscal year in which the payment is to be made.

Reports

- 8.
 - (a) The Contractor shall make interim reports as Government may direct.

- (b) The Contractor shall prepare and submit a draft final report for review and approval of Government not later than the ____ day of ____ 20__. Government shall either signify its approval or note the deficiencies in writing to the Contractor within ____ days of its submission. The final report shall be submitted to Government not later than the ____ day of ____, 20__ unless the Parties agree otherwise in writing.

Administration

9. Subject to any specified time schedule or location where the Work is to be performed as may be set forth in Schedule "A" attached hereto, the Work is to be performed in the offices of Government and the Contractor shall follow the same time schedule as applicable to employees of Government.
10. Government shall provide such support, direction, decisions and information to the Contractor as it deems necessary or appropriate under this Agreement and may appoint a person to administer this Agreement and communicate with the Contractor.

Termination

11. Notwithstanding other provisions of this Agreement, Government may terminate this Agreement in its entirety, or any part thereof, at any time by a notice in writing, signed by or on behalf of Government and delivered to the Contractor by hand delivery, mailed to the Contractor's last known place of business, facsimile transmission, or electronic communication.

This Agreement shall be determined to have ended upon the date of delivery, sending by electronic communications or mailing of such notice in which event the Contractor shall have no further claim against Government, except that the Contractor will be paid pursuant to and in accordance with the provisions of the Payments, Records and Accounts section of this Agreement for the Work performed up to the date of termination by written notice. Such payment shall include all firm commitments made by the Contractor prior to the receipt of the notice and for which the Contractor is liable for payment, less any sums paid by Government to the Contractor on account.

12. Notice in this Agreement is deemed to have been effected on the day of delivery in person, facsimile, electronic communication, or upon mailing of the notice.

Confidentiality and Copyright

13. Any and all information, knowledge or data made available to the Contractor as a result of this Agreement shall be treated as confidential information. The Contractor shall not directly or indirectly disclose or use the information, knowledge or data for purposes unrelated to the Agreement at any time without first obtaining the written consent of Government, unless the information, knowledge or data is generally available to the public.
14. (a) The Parties agree that all lists, reports, information, statistics, compilations, analyses, and other data generated or collected in any way as a result of this Agreement are the exclusive property of Government and shall not be distributed, released, transmitted or used in any way, via any media, outside the purposes of this Agreement, by the

Contractor, its employees, agents, servants or others for whom the Contractor is responsible, without the written consent of Government.

- (b) The Parties agree that Government owns the copyright on all aspects of the Work, including all manner of data as set out in sub-paragraph (a) and including all software developed as a result of the Work whether in the form of raw data, analyses, database entries or software or hardware code of any kind or in any form whatsoever, including but not limited to object code and source code and any necessary information with respect to the use of such code such as encryption keys, compiler information and version number.
- (c) The Contractor relinquishes all rights to the Work created pursuant to this Agreement, including all rights, and moral rights otherwise accruing to the Contractor pursuant to the *Copyright Act*, R.S.C. 1985, c. C-42.

Conflict of Interest

- 15. The Contractor warrants that as at the date of this Agreement, no conflict of interest, or any circumstance that might interfere with independent and objective exercise of judgment, exists or is likely to arise in relation to execution of this Agreement or its subject matter. The Contractor shall immediately notify Government, in writing, if any such actual or potential conflict of interest should arise at any time during the Term. In the event Government discovers or is notified by the Contractor of an actual or potential conflict of interest, Government, in its sole discretion, may either:
 - (a) Allow the Contractor to resolve the actual or potential conflict to the satisfaction of Government; or
 - (b) Terminate the Agreement in accordance with the Termination section of this agreement.

Freedom of Information and Protection of Privacy Act

- 16. The Contractor acknowledges that this Agreement, and information provided in respect of this Agreement, may be subject to release under the *Freedom of Information and Protection of Privacy Act* R.S.P.E.I. 1988, Cap. F-15.01. The Contractor may be consulted prior to release of any information.
- 17. The Contractor acknowledges and agrees that, in the event the Work involves the collection or use of personal information, it is subject to the *Freedom of Information and Protection of Privacy Act*, and that personal information may not be released to any third party or unauthorized individual.

Indemnification and Insurance

- 18. The Contractor shall indemnify and hold harmless Government, its agents, representatives and employees from and against all claims, demands, losses, costs, damages, actions, suits or

proceedings of every nature and kind whatsoever arising out of or resulting from the performance of the Work (herein called the "Claim"), provided that any such Claim is caused in whole or in part by any act, error or omission, including, but not limited to, those of negligence, of the Contractor or anyone directly or indirectly employed by the Contractor or anyone for whom the Contractor may be liable.

19. The Contractor shall, without limiting its obligations or liabilities under this Agreement and at its own expense, provide and maintain, the following insurance with insurers and in forms and amounts acceptable to Government:

- (a) Commercial General Liability insurance in an amount not less than \$_____ (minimum Two Million (\$2,000,000.00 CAD) Dollars) inclusive per occurrence against bodily injury and property damages. Government of Prince Edward Island is to be added as an additional insured under this policy. Such insurance shall include, but not be limited to:
- Products and Completed Operations Liability;
 - Owner's and Contractor's Protective Liability;
 - Blanket Written Contractual Liability;
 - Personal Injury Liability;
 - Non-Owned Automobile Liability;
 - Cross Liability;
 - Employees as additional Insured;
 - Broad Form Property Damage;
 - If applicable, Tenant's Legal Liability in an amount adequate to cover a loss to premises of Government occupied by the Contractor.
- (b) Automobile Liability insurance on all vehicles owned, operated or licensed in the name of the Contractor in an amount not less than \$_____ (minimum One Million (\$1,000,000.00 CAD) Dollars).
- (c) Professional Liability insurance in an amount not less than Two Million (\$2,000,000.00 CAD) Dollars on a claims made basis, subject to an annual aggregate limit of Two Million (\$2,000,000.00 CAD) Dollars insuring the Contractor's liability resulting from errors and omissions in the performance of professional services under this Agreement. Such insurance shall continue for a term of six (6) years following completion of the Work.
- (d) The policy or policies required by this Agreement shall be in a form and with insurers satisfactory to Government. All required insurance shall be endorsed to provide Government with 30 days advance written notice of cancellation or material change. The foregoing insurance shall be primary and not require the sharing of any loss by any insurer of Government nor by any other form of recovery available such as the Provincial Self Insurance and Risk Management Fund. A certified copy of the policy, or policies, shall be delivered to Government prior to execution of this Agreement. Default of delivery to Government or receipt of the certified copy of the policy, or policies, by Government shall not be construed as acknowledgment or concurrence that there has been compliance with the terms of this Agreement.

General

- 20. This Agreement shall not be assigned or subcontracted in whole or in part by the Contractor without the prior written consent of Government.
- 21. This Agreement shall ensure to the benefit of and be binding upon the Parties hereto and, subject to the above assignment and subcontracting clause, their executors, administrators, successors and assigns.
- 22. This Agreement shall be interpreted and applied in accordance with the laws and in the Courts of the province of Prince Edward Island.
- 23. This Agreement, including Schedule "A", constitutes and expresses the entire agreement of the Parties hereto and any amendment or addition thereto shall be in writing and signed by the respective Parties.
- 24. The headings are inserted in this Agreement for reference only and shall not form part of the Agreement.
- 25. The provisions of this Agreement which, by their terms, are intended to survive or which must survive in order to give effect to continuing obligations of the Parties, shall survive the termination or expiry of this Agreement.
- 26. If any provision of this Agreement is, for any reason, invalid, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the Parties as though the invalid provision had never been included in this Agreement.

IN WITNESS WHEREOF the Parties thereto have executed this Agreement as of the date first above written.

SIGNED, SEALED & DELIVERED)
in the presence of:)
)
)

Government of Prince Edward Island,
as represented by the Minister of
)
)
)

SIGNED, SEALED & DELIVERED)
in the presence of:)
)
)

Contractor
)
)
)

Authorized Signing Officer

SCHEDULE "A"

**TO AGREEMENT
BETWEEN
GOVERNMENT OF PRINCE EDWARD ISLAND
AND
THE CONTRACTOR**

DATED THE ____ DAY OF _____, 20__

STATEMENT OF WORK

APPENDIX B – SUBMISSION FORM

B.1 Proponent Information

Please fill out the following form, naming one person to be the Proponent’s contact for the RFP process and for any clarifications or communication that might be necessary.	
Full Legal Name of Proponent:	
Any Other Relevant Name under which Proponent Carries on Business:	
Street Address:	
City, Province/State:	
Postal Code:	
Phone Number:	
Fax Number (if any):	
Company Website (if any):	
Proponent Contact Name and Title:	
Proponent Contact Phone:	
Proponent Contact Fax (if any):	
Proponent Contact Email:	
HST / GST Registration Number (Leave blank if NOT applicable):	

B.2 Offer

The Proponent has carefully examined the RFP documents and has a clear and comprehensive knowledge of the Deliverables. The Proponent represents and warrants its ability to provide the Deliverables in accordance with the requirements of the RFP for the rates set out in the completed Pricing Form (Appendix C).

B.3 Mandatory Forms

The Proponent encloses as part of the proposal the mandatory forms set out below:

FORM	INITIAL TO ACKNOWLEDGE
Submission Form (Appendix B)	
Pricing Form (Appendix C)	

B.4 Pricing

The Proponent has submitted its pricing in accordance with the instructions in the RFP and in the **Pricing Form (Appendix C)**. The Proponent confirms that it has factored all of the provisions of Appendix A, including insurance and indemnity requirements, into its pricing assumptions and calculations.

B.5 Addenda

The Proponent is deemed to have read and taken into account all addenda issued by the Province.

B.6 No Prohibited Conduct

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

B.7 Conflict of Interest

For the purposes of this RFP, the term "Conflict of Interest" includes, but is not limited to, any situation or circumstance where:

- (a) in relation to the RFP process, the Proponent has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having, or having access to, confidential information of the Province in the preparation of its proposal that is not available to other Proponents, (ii) communicating with any person with a view to influencing preferred treatment in the RFP process (including but not limited to the lobbying of decision makers involved in the RFP process), or (iii) engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive RFP process or render that process non-competitive or unfair; or
- (b) in relation to the performance of its contractual obligations under an agreement for the Deliverables, the Proponent's other commitments, relationships or financial interests (i) could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement, or (ii) could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations.

Proponents should disclose the names and all pertinent details of all individuals (employees, advisers, or individuals acting in any other capacity) who participated in the preparation of the proposal; **AND** were employees of the Province within twelve (12) months prior to the Submission Deadline.

If the box below is left blank, the Proponent 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 Proponent declares that there is an actual or potential Conflict of Interest relating to the preparation of its proposal, and/or the Proponent foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the RFP.

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

B.8 Proposal Irrevocable

The Proponent agrees that its proposal shall be irrevocable for a period of **Ninety (90)** days following the Submission Deadline.

B.9 Disclosure of Information

The Proponent 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 Proponent hereby consents to the disclosure, on a confidential basis, of this proposal by the Province to the advisers retained by the Province to advise or assist with the RFP process, including with respect to the evaluation of this proposal.

B.10 EXECUTION OF AGREEMENT

The Proponent agrees that in the event its proposal is selected by the Province, it will finalize and execute the Agreement in the form set out in **Appendix A** to this RFP in accordance with the terms of this RFP.

Signature of Witness

Signature of Proponent Representative

Name of Witness

Name of Proponent Representative

Title of Proponent Representative

Date

I have the authority to bind the Proponent.

APPENDIX C – SUBMISSION PRICING FORM

1. Instructions on How to Complete Submission Pricing Form

- (a) Rates shall be provided in Canadian funds, inclusive of all applicable duties and taxes except for HST, which must be itemized separately.
- (b) Rates quoted by the Proponent shall be all-inclusive and shall include all labour and material costs, all travel and carriage costs, all insurance costs, all costs of delivery, all costs of installation and set-up, including any pre-delivery inspection charges, and all other overhead, including any applicable fees or other charges

2. Evaluation of Pricing

Pricing is worth 30 points of the total score.

Pricing will be scored based on a relative pricing formula using the rates set out in the Pricing Form. Each Proponent will receive a percentage of the total possible points allocated to price for the particular category it has bid on, which will be calculated by dividing that Proponent's price for that category into the lowest bid price in that category. For example, if a Proponent bids \$120.00 for a particular category and that is the lowest bid price in that category, that Proponent receives 100% of the possible points for that category ($120/120 = 100\%$). A Proponent who bids \$150.00 receives 80% of the possible points for that category ($120/150 = 80\%$), and a Proponent who bids \$240.00 receives 50% of the possible points for that category ($120/240 = 50\%$).

Lowest rate

----- x Total available points = Score for second-lowest rate

Second-lowest rate

Lowest rate

----- x Total available points = Score for third-lowest rate

Third-lowest rate

And so on, for each proposal.

Pricing Form

Bidders should propose a financial model that clearly defines how they propose to be compensated for all of the required services.

Prepare a fixed price for your proposed services. Provide appropriate details to support these figures, including estimates of the work effort and a breakout of expected expenses.

C.1 Fixed Cost – Time and Materials for Initial Contract Period

Prepare the following table for inclusion in your proposal:

Cost Element	Cost (CDN)
Consulting, Research & Analysis	\$
Project Management - Report Preparation and Administrative Support	\$
Materials	\$
Travel & Projected Expenses (C.3)	\$
Other Expenses (C.4)	\$
Total	\$

C.2 Per Diem Rates

Prepare the following table for inclusion in your proposal. Identify the names of all persons who will contribute to the routine management and/or the performance of the required services, and their per diem rate. Per Diem rates are based on a **seven and half-hour work day**, and do **not** include taxes.

Name	Per Diem Rate	% time assigned to the project
	\$	\$
	\$	\$
	\$	\$

C.3 Travel and Project Expenses

Estimate the travel and living expenses associated with any proposed personnel who will need to travel to and from the primary work location, in order to perform the required work during the contract. Provide relevant details to support your estimates. These are to be included in your estimated costs.

C.4 Other Expenses

Estimate any other project expenses that may be incurred, once the proposed personnel are onsite at the primary work location. These types of expenses will require **prior approval** from the client organization after the contract begins and must comply with Prince Edward Island Government standards. Provide relevant details to support your estimates. These are to be included in your estimated costs.

APPENDIX D – RFP PARTICULARS

D.1 The Deliverables

Federal-Provincial agreements create a structure for operation of a jointly-funded agricultural production insurance scheme in Prince Edward Island. The PEI Department of Agriculture and Fisheries has vested responsibility for this production insurance scheme in the PEI Agricultural Insurance Corporation (PEI AIC), a Crown corporation. As part of the Federal-Provincial agreement, PEI AIC must periodically certify the actuarial soundness of probable yield and premium rate methodologies and of the self-sustainability of the insurance program as a whole.

The ultimate goal of this project is to obtain federal (AAFC) approval of certifications for probable yield methodology, premium rate methodology and program self-sustainability. A fundamental requirement of this certification and approval process is that the analytical work be conducted under the direction and supervision of a Fellow of the Canadian Institute of Actuaries (FCIA) with experience in the production of certification documents; reports and specified certification documents, including supporting analytical text and tables, must appear under the signature of this FCIA actuary.

PEI AIC has in place probable yield and premium rate methodologies. If, in the course of analysis, the Actuary identifies program elements which undermine the actuarial soundness and ability to certify the program, the reviewing Actuary will suggest alterations of these methodologies to correct the shortcoming(s).

The main objectives of the project include:

To obtain, for all insurance plans and riders offered to producers by the Prince Edward Island Agricultural Insurance Corporation (PEI AIC), a written opinion, signed by an approved actuary, stating that premium rate methodologies currently used or developed are actuarially sound; Appendix E outlines the premium rate methodology used by PEI AIC.

To obtain a written opinion signed by an approved Actuary stating that the insurance scheme as a whole is self-sustaining.

To specify alternative acceptable premium rate methodologies, as necessary, for special applications, where special applications would include new plans with limited data, specialized insurance features or riders, crops with limited participation, and adjustments to the multi-variety potato crop categories, as their composition changes from year to year.

To provide premium rates for each plan and rider in five percent increments from 70% coverage to 90% coverage.

To obtain a written opinion signed by an approved Actuary stating that the PEI AIC probable yield methodology meets federal requirements.

To validate the existing structure of insurance reserve fund and associated premium loads, or suggest an appropriate revised structure.

To evaluate the program reinsurance strategy and assess the role of alternative reinsurance approaches on premium rate methodology and program self-sustainability.

To certify that the probable yield methodologies for insured commodities are actuarially sound, and suggest methodology adjustments, as appropriate.

The written opinions provided are to cover the probable yield and rate setting methodologies and program self-sustainability for all plans and riders offered, or which are planned to be offered as of July 1, 2018, under Production Insurance in Prince Edward Island for the crop year 2019. The Production Insurance Plans intended to be offered for Crop Year 2019 are:

Vegetables

- Potatoes, Chip Stock
- Potatoes, Other Round White Export
- Potatoes, Other Round White
- Potatoes, Other Russets
- Potatoes, Other Varieties
- Potatoes, Red Skin
- Potatoes, Russet Burbank
- Potatoes, Shepody Potatoes
- Potatoes, Superior
- Potatoes, Yellow Flesh
- Potatoes, Yukon Gold
- Potatoes, All-variety (whole farm) coverage
- Potatoes, Color Rider
- Potatoes, Elite Seed
- Potatoes, Storage Rider
- Potato Unharvested Acres Rider
- Carrots
- Cole Crops (Broccoli, Brussels Sprouts, Cabbage, Cauliflower)
- Cauliflower Unharvested Acres Rider
- Rutabagas

Grains and Oilseeds

- Barley
- Buckwheat
- Fall Rye
- Grain Corn/ Silage Corn
- Milling Wheat
- Mixed Grain
- Oats

Spring (feed) Wheat
Winter (feed) Wheat
Soybeans (feed and culinary)
Dry Beans (Colored Beans, White Pea Beans)
Grains group (whole farm) coverage

Fruit Crops

Apples (trees and fruit)
Blueberries
Cranberries
Grapes (vines and fruit)
Strawberries (plants and fruit)
Blueberry Unharvested Acres Rider

Other Crops and Plans

Forage Production
Livestock, Cattle Mortality
Livestock, Honey Bee Hive Mortality
Pulses (Faba Beans, Winter Green Dry Peas, Green Dry Peas, Yellow Dry Peas)
Specialty Oilseeds (Canola, Hybrid Canola [for seed], Hemp, Crambe, Borage)
Sugar Beets
Tobacco
Honey Bees

Certain adjustments are applied to coverage for organic crop producers as well, to compensate for expected lower average yields. In addition, the Forage Plan and the Potato Color Rider are weather-derivative plans. The whole farm potato plan has been in place since 1994 and the whole farm spring cereals plan since 2004, using multi-variety discounting tables. The consulting Actuary will be responsible for assessing whether experience to date justifies modifying the discounting schedules, and if so, to establish the new discount tables. The characteristics of the PEI crop and livestock insurance plans and riders are described in the 2018 AgrilInsurance Agreement and Livestock Insurance Agreement documents, Appendices F and G, respectively.

The province has adopted fund reserve thresholds, supplemented with purchased re-insurance, intended to protect the fund as a whole against total depletion (and consequent provincial borrowing) in at least 19 out of 20 years. The fund is intended to carry a positive load on the premium whenever it falls below a certain threshold and a negative load above a certain reserve balance. Such loading is applied to all plans in the fund, regardless of the surplus/deficit status of any individual plan. The consulting Actuary will be responsible for assessing the reserve thresholds and loading methodology and suggesting changes, as appropriate, to better meet the objectives of the plan managers.

Below is the approximate **schedule** that is expected to be followed for this RFP. However, this may be subject to change and is therefore presented primarily for guidance:

- Preferred work start date: June 25, 2018

- Preferred work completion date: January 25, 2019

For all plans, the deadline for accomplishing the specified tasks in draft form is November 16, 2018, based on a starting date no later than June 25, 2018. Earlier submittal of draft components (e.g., Probable Yield Methodology, Premium Rate Methodology) is desirable. PEIAIC will review drafts and return comments to the consultant within three weeks of receipt of the drafts. Draft documents may also be reviewed by AAFC specialists for compliance with federal requirements (National Certification Guidelines). In any case all deliverables, in final form, should be completed and received by AIC before January 25, 2019.

To achieve the objectives stated above, the contractor will review probable yield and premium rate methodologies, and will either certify the methodologies as currently applied, provide actuarially- acceptable adjustments to these methodologies or provide alternative methodologies, as appropriate. Similarly, the contractor will assess and certify the self-sustainability of the Production Insurance program as a whole, using analytical methods consistent with National Certification Guidelines. If there are characteristics of any insurance plan which endanger certification, the consulting Actuary will identify remedial adjustments to the methodologies which will allow certification.

The consultant is expected to be familiar with applicable and relevant legislation and current rate setting and probable yield methods in order to establish a framework for the certification of rate setting and probable yield methods. Relevant documents will include the Farm Income Protection Act, Canada, the Crop Insurance Regulations, 1990 (Canada), Bill C-48, the National Certification Guidelines, and the 2018 PEI AgrilInsurance Agreement.

As stated in the above, the consultant's report(s) will provide written opinions stating that premium rate and probable yield methodologies comply with the Federal Crop Insurance Regulations and National Certification Guidelines, and that the program is self-sustaining. **The written opinions must be signed by a Fellow of the Canadian Institute of Actuaries (FCIA), and adequately documented to receive approval by AAFC staff.**

The Agricultural Insurance Corporation maintains historical insurance data. Although most insurance plans have records back to 1982, the quality and reliability of data prior to 1991 is suspect. Recently-created plans will have a shorter insurance history. PEIAIC will provide master data files including individual coverage and loss/claim records and aggregate fund performance/balance records through the 2017 insurance year. In addition, annual aggregate provincial yield information will be provided where it is available (eg, from Statistics Canada). Also, the successful consultant will be provided with copies of appropriate internal documentation of methodologies. Finally, PEIAIC staff will be available throughout the contract period to answer questions about programs and methods used for rate setting, claims handling, probable yield determination, and other data and characteristics of the provincial insurance program.

The requirements in this section will prevail as enduring requirements for service delivery throughout the effective period of any contract(s) resulting from this RFP.

1. The proponent will specify the location where work under this contract will be performed.
2. Communication of progress in the project is expected to be frequent; progress reports are expected on a monthly basis.
3. Actuarial certifications conducted consistent with current National Certification Guidelines
4. Include any other relevant service delivery requirements for your project.

Success at the conclusion of the contract will be determined by the following:

1. The supplier complied throughout the project with the service delivery requirements as identified.
2. Federal approval of completed actuarial certifications received.
3. Certifications finalized, including federal approval, prior to beginning of insurance season in March 2019.

Critical deliverables for the project are certification reports, including supporting tables, for probable yield and premium rate methodologies and for program self-sustainability. These reports should be submitted in draft form for review by PEIAIC and AAFC staff. Draft reports may be submitted sequentially (as completed). After revision (if any), final reports, accompanied by the FCIA Actuary's certification opinions will be submitted.

D.2 Material Disclosures

There are no material disclosures applicable to this RFP.

D.3 Mandatory Technical Requirements

The proposal must meet **all** of the following mandatory criteria and clearly demonstrate that these are met in a substantially unaltered form. If the proposal fails to meet **any one** of these criteria, it will receive no further consideration during the evaluation process and be deemed non-compliant.

1. The proposal must clearly demonstrate the proponent's experience and ability to fulfill the service requirements identified.
2. The proposal must identify experience of assigned project staff with National Certification Guidelines

3. The proposal must indicate that the contracted work will be directed by a Fellow of the Canadian Institute of Actuaries

D.4 Rated Criteria

The following is an overview of the categories and weighting for the rated criteria of the RFP. Proponents who do not meet a minimum threshold score for a category will not proceed to the next stage of the evaluation process.

Suggested Proposal Content for the Evaluation of Rated Criteria

D.4.1 RATED CRITERIA

D.4.1 Executive Summary (5 pts)

Provide a **1-2 page summary** of your technical response, highlighting the key features of your proposal. It should allow the evaluation team to quickly gain an overall perspective of your proposal, prior to reviewing it in detail.

D.4.2 Proposed Approach/Process and Project Plan (10 pts)

Summarize your understanding of the requirements defined in this RFP; this content should be expressed in your own words and not simply recite the requirements as defined in this RFP. Describe the **approach and/or process** proposed to address these RFP requirements. Include any notable methodologies, tools and techniques, and their respective suitability to this project.

Also provide a **project plan** that reflects your proposed approach/process and demonstrates your ability to meet the milestones.

D.4.3 Demonstrated Expertise (20 pts)

Outline experience with comparable projects. Describe any similarities to or differences from this project.

D.4.4 Project References (20 pts)

Provide **three project references** for any work done by you in the past **three** years that is similar in nature to the requirements defined in this RFP. Select references that are similar to Government, and provide a contact name, along with his/her phone number, fax number and email address. The reference information provided should identify the size of the projects

conducted for the reference as well as demonstrate the extent of your previous experience, the reference’s overall satisfaction with your services and the results achieved, including your adherence to interim and final deadlines.

D.4.5 Proposed Project Manager, Resume and References (5 pts)

The successful Proponent is expected to provide all the necessary project management to complete the services proposed in response to this RFP.

Identify the **project manager** proposed for this project and describe his/her experience.

Include his/her **resume**. This should be structured to emphasize his/her relevant qualifications and project management experience in successfully managing projects of a similar size and scope to that required by this RFP.

The resume should include **at least two project references**, including:

- Name of organization
- Name, title, telephone number and email of a contact for the organization
- Brief description of the scope, complexity, dates and duration of the project

Note that the project manager is required to be a Fellow of the Canadian Institute of Actuaries.

D.4.6 Proposed Resources, Resumes and References (10 pts)

The Proponent should be able to demonstrate that its **proposed team as a whole** meets or exceeds the RFP requirements. Prepare the table below to identify **all** personnel who will be assigned to the project and contribute to (i) the **routine management** and/or (ii) the **performance** of the required services. As shown, provide each person’s name, title, role on this project, experience in this role and his/her respective employment status.

Name	Title	Project Role	Role Experience (# months)	Employment Status (E = employee, C = contractor, P = partner)

The Province encourages innovation and competition in the Proponent community through arrangements such as partnerships and consortiums. If sub-contractors or partners of a Proponent are permitted for this project, they must be identified in your table. If so, describe the general range of services that the respective contractors (companies or individuals)

provided and how this benefits your company. If no contractors or partners are identified, this will be interpreted to mean that only a Proponent's 'own resources' will be used.

Submit the individual **resumes** for each proposed resource. The resumes should be structured to emphasize their relevant qualifications and experience in successfully completed projects of a similar size and scope to that required by this RFP.

Each resume should include **at least two project references** where the proposed individual served in a similar role, including:

- Name of organization
- Name, title, telephone number and email of a contact for the organization
- Brief description of the scope, complexity, dates and duration of the project
- Role the proposed individual played in the referenced project

D.4.7 Resource Management

By virtue of responding to this RFP, the Proponent is committing to make the proposed resources available to this project when needed and, once the project begins, it agrees to take any steps necessary to ensure the ongoing availability of its proposed resources during this project.

The Province acknowledges that instances can arise where a proposed resource is no longer employed by or associated with the Proponent, or is otherwise unavailable to the Proponent at the time of the service requirement. In these cases, the Proponent agrees to provide **replacement resources with equivalent (or greater) experience and capability**, and the selection of the replacement resources will be subject to the approval of Government.

In the proposal, describe the process that would be used for including Government in the selection of replacement resources and for securing Government's approval. Describe how changes in the project manager in particular would be handled, if this becomes necessary.

If new service requirements emerge during the project, Government will make every effort to provide the successful Proponent with as much advance notice as possible. Describe the process and typical timelines involved in making **additional resources** available to this project.

Describe the process that would be used to resolve a situation where Government concludes that an assigned resource from the Proponent is **not performing** their responsibilities adequately.

APPENDIX E - Prince Edward Island Agricultural Insurance Corporation Overview of 2019 Premium Rate Methodology

The following notes summarize the methodologies intended to be used by the PEI Agricultural Insurance Corporation (AIC) for rate-setting in 2019, subject to actuarial certification

General Format of Premium Rate Calculation

Some form of the following general format is used in calculating premium rates for insurance plans offered by PEI AIC:

Premium Rate Assessment for PEI Crop Insurance

A	B	C	D	E	F	G	H	I
		Raw	Uncertainty	Fund Balance		AIC	Loaded	Selected
PLANxx	YEAR	CI_RATE	Load	Load	B.B.F.*	Load	Rate	Rate

A PLANxx -- Crop plan for the crop code or codes in 20xx insurance year

YEAR -- Insurance year (year in which the crop will be harvested)

B RAW RATE -- Average of short term rates for up to 20 years; from (YEAR-21) to (YEAR-1)

C UNCERTAINTY LOAD -- Proportion of raw rate to be added for uncertainty

D
E FUND BALANCE LOAD (Self-Sustainability Load) -- Proportion of raw rate to be added to adjust the fund for fund balance shortfall or excess, ie, outside target reserve range.

F B.B.F. (Balance Back Factor) corrects for rolling average net experience discount or surcharge

B.B.F. = up to 10-yr avg of (CIPREM without discounts or surcharges/CIPREM with discounts or surcharges)

G AIC Load -- Discretionary load of up to plus or minus 10% applied to correct identified imbalances

LOADED RATE --

H $(C*(1+D)*(1+E)*F*(1+G))$

I SELECTED RATE -- rate to use for contract sales (H, rounded up to nearest .1%)

The following sections outline how each of these components is produced.

Raw Rate

Prior to the actuarial certification for the 2014, rate calculation for PEI's crop plans included up to 15 years of insurance history. Starting in 2014, the maximum number of insurance years included in the raw rate calculation was increased by one year per year to a maximum of twenty years. Some plans do not yet have this much historical data. AIC is willing to consider alternative rate methodologies suggested by actuarial analysis.

The first step in calculating a final premium rate is to calculate a Short Term Rate (STR) for each of the included (e.g., twenty) years preceding the year for which a rate is being calculated. The STR is the ratio between indemnities paid and total insured value (with adjustments for any Stage1 acres). In PEI's traditional, yield-based insurance plans, the insured value (or dollar coverage) is equal to insured acres x insured yield x unit price x coverage level. The indemnity is unit price times any shortfall in guaranteed yield (ie, unit price x insured acres x ((insured yield x coverage level) – actual yield)). Because criteria for coverage may change over time (eg payment triggers or probable yield methodology), it is important that the insured value and indemnity figures used in these calculations be re-stated using current-year criteria. Because insurance and yield data exist for all participants in the regular, yield-based plans, changing the "coverage level" value in the above calculations can yield synthetic insurance data series for any specified coverage levels for all contracts, not solely loss values for actual coverage levels selected.

Next, the base, or raw, premium rate for the plan is calculated as the simple average of up to twenty years of STRs for each specified coverage level. This is a rolling average; the STR series included in the raw rate calculation steps forward by one year, each year.

Although the general format for calculating raw rates for non-yield-based plans is still a running average of short-term rates (indemnity/IV), data for these plans can make it difficult to simulate claim history for different coverage levels (when those are offered).

Similarly, data processing programs for non-yield based plans were not set up to automatically calculate claim histories for prior years when plan triggers are altered. In this situation (and where data-details permit), an entire synthetic (adjusted) historical database is constructed simulating what coverage and claims would have been in previous years, had current triggers been in place. This revised database is carried forward, and adjusted, as appropriate, to keep it up-to-date for use in future years' premium rate calculation.

The methodology is adjusted for plans with few years of history. AIC handles these "young" plans as follows: When a new plan is created, the initial raw rate is treated as if it were five years of history (for each coverage level). As years of actual coverage experience are accumulated, these will replace the initial values, until five years of actual history accrue, after which the raw rate will consist of a simple average of STR for all years of history. When twenty years of history have accumulated, the raw rate will thenceforth be calculated as a rolling average of the most recent twenty years STRs.

Non Yield-Based Plans

AIC offers a number of non yield-based plans. The basic sequence of rate calculation and loading is the same as for yield-based plans, except that, in most cases, actual losses cannot be restated accurately at different coverage levels, so I/L ratios of actual experience only are used to generate the short term (raw) rates.

Loads to Raw Rate

There are four possible loading factors on the raw rate, two of which are applied to all plans, one is applied to most plans and one is selectively applied.

Uncertainty Load

Calculated for each plan, the Uncertainty Load (UCL) addresses the imprecise predictor of future losses based on recorded historic data. In PEI, the UCL calculation historically included a combination of years of plan history and enrolment numbers. The general rule for most plans has been: the UCL varies between 5% and 15%. Prior to 2014, all UCL values were 5%, 10% or 15%, however, starting in 2014 a UCL methodology was adopted which results in UCL values changing in one-percent increments instead of 5 percent increments. Each crop plan is assigned a UCL value based on cumulative enrolment, as summarized in this table.

<u>Contracts</u>	<u>% load</u>
<60	15
>=60	14
>=70	13
>=80	12
>=90	11
>=100	10
>=120	9
>=140	8
>=160	7
>=180	6
>=200	5

Self-Sustainability Load (SSL)

Applied to all plans, this load is intended to help maintain the AIC reserve balance in the insurance fund within an acceptable range. For many years, the reserve target has been set at 11% of total insured value (excluding PUAB, Colour and Storage rider IVs) and balances above or below this target amount (after adjusting for interest and reinsurance effects) were reflected as negative or positive loads (over ten and fifteen-year averaging periods), respectively. Since the last actuarial certification in 2014, the limit for SSL, when the fund is in surplus above target, has been raised several times, with approval of actuarial staff at AAFC. Currently, AIC has approval to apply a negative load up to 60% of the fund surplus above target (net of reinsurance premiums) in the current year. For 2019, the intention is to retain the existing policy for net fund balances below the target reserve, ie, one-fifteenth of the shortfall will be included (along with profit and administration and borrowing cost of shortfall) as a positive load. Similarly, when the fund reserve, net of reinsurance premium, exceeds the maximum target, 60% of the excess is applied (along with profit and administration and interest earned on fund balance) as a negative load.

These components are used in the calculations of SSL:

Target Reserve(TR) – The TR is set at 11% of TIV for [Yr-1] (ie, most recent year) where this total IV includes IV for all cost-shared PI plans EXCEPT PUAB, Colour and Storage.

Current Fund Balance(CFB) – estimated balance at April 1 of current year minus the estimated reinsurance premium(RP)

Interest Rate on Balance(IR) – expected annual percentage interest rate on fund balance; this is an earned rate for balances above the upper target and a borrowing interest rate for balances below the lower target

Liability – IV from preceding year used in Target Reserve Calculation

Premium – last year's actual premium collected; used as proxy for expected premiums

Premium without SSL (PR) – corrects last years premium to remove impact of SSL;
 $PR = \text{Premium}_{(Yr-1)} / (1 + \text{SSL}_{(Yr-1)})$

Expected Reinsurance Profit and Administration (P&A) – currently set (estimated) at 25% of reinsurance premium for upcoming year.

If the analysis of self-sustainability of the fund under this methodology identifies substantive certification issues, the actuary will suggest an alternative approach that will meet the certification requirements.

Currently, PEIAIC purchases reinsurance each year to protect against extreme losses in the program. In 2017, PEIAIC adopted a 3-year reinsurance agreement covering 100% of aggregate net losses incurred during each insurance year which exceed 14.72% of aggregate insured value during the period, subject to a maximum limit of 30.26% of TIV. This block reinsurance coverage provides cover up to 45% of TIV. Currently, the Cattle Mortality plan is not included in the reinsurance agreement, so, in the case of the Cattle Mortality rate, the SSL excludes the impact of reinsurance premiums, both in the CFB and the P&A, but is otherwise calculated the same way.

Balance-Back Factor (BBF)

Many of PEI's insurance plans have an experience discount/surcharge system aimed at adjusting the insurance burden from lower-claiming clients to higher-claiming ones. On an individual basis, these experience loads are based on a producer's claims relative to those for that crop plan as a whole for that year (relative loss ratios). Despite a design to normalize discounts and surcharges to annual losses, by plan, inevitably, the aggregate discount/surcharge does not equal 1. This means that there will be either an excess discount or surcharge for the plan, compared to the calculated premium rate.

The BBF corrects for this asymmetry by calculating the aggregate ratio of premiums with and without the experience load. In this calculation, the client information from the most recent insurance year is used, except that the individual discount/surcharge factors for this year are removed (mathematically), then, for the denominator, the discount/surcharge factors for the upcoming year are applied.

The BBF is calculated and applied on a crop group (category) basis, since producers tend to alter the mix of, say, potato or grain varieties from year to year even if their total potato or grain acreage stays roughly the same.

AIC Load

The final load is the discretionary AIC Load. The current methodology allows AIC the option of applying a load of up to plus or minus 10% to a crop plan. The load is seldom used. Its current application is to several crops which accrued extraordinary claims, relative to their crop group/category, and for which (in the view of PEIAIC) blended group premium rates inappropriately mask the contribution of these plans to the excess indemnities. Additionally, the AIC load may be used to supplement premium rate loading for plans with a substantial crop quality component or for plans in early years where initial premium rates appear to be set too low, and a compensatory rate increase under the normal rate calculation and loading scheme is considered undesirably slow.

APPENDIX F – 2018 AGRINSURANCE AGREEMENT

Please refer to supporting tender documents for Appendix F.

APPENDIX G – LIVESTOCK INSURANCE AGREEMENT

Please refer to supporting tender documents for Appendix G.