

FINANCIAL REVIEW AND ASSURANCE SERVICES AGREEMENT



<i>For Administrative Purposes Only</i>	
<i>Ministry Contract No.: C18GCPE37295</i> <i>Requisition No.: 37295</i> <i>Solicitation No.(if applicable): n/a</i> <i>Commodity Code: AZ.AZ01</i>	<i>Financial Information</i>
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SCHEDULE A – SERVICES

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- Part 2 - Services
- Part 3 - Related Documentation
- Part 4 - Key Personnel

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- Part 1 - Maximum Amount Payable
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SCHEDULE C – APPROVED SUBCONTRACTOR(S)

SCHEDULE D – INSURANCE

SCHEDULE E – PRIVACY PROTECTION SCHEDULE

SCHEDULE F – ADDITIONAL TERMS

SCHEDULE G – SECURITY SCHEDULE

THIS AGREEMENT is dated for reference the 29th day of January, 2018.

BETWEEN:

KPMG LLP (the "Contractor") with the following specified address and fax number:
777 Dunsmuir Street, Suite 1100
PO Box 10426 Pacific Centre
Vancouver, British Columbia V7Y 1K3
Fax: N/A

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Finance, Government Communications and Public Engagement (the "Province") with the following specified address and fax number:
4th floor 617 Government Street
PO Box 9409 STN PROV GOVT
Victoria, British Columbia V8W 9V1
Fax: 250-387-0718

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Final Deliverables" means the final versions of the reports, findings, opinions or other materials (including any appendices or other attachments to them) specified in Schedule A as the "Final Deliverables";
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means working papers, accounting records, draft opinions, notes, reports, findings, records and other material, whether complete or not, that, as a result of this Agreement, are produced or provided by the Contractor or a Subcontractor and includes the Final Deliverables;
- (e) "Received Material" means records and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 12.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

- 2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor must perform the Services to a standard of care, skill and diligence maintained by persons providing, on a commercial basis, services similar to the Services.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:
- (a) the fees described in that Schedule;
 - (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and
 - (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b).

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 8.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify in whole or in part the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 12.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

3.8 The Contractor must:

- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
- (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

4.1 As at the date this Agreement is executed and delivered by, or on behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
 - (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual or other agreements in place and available to enable the Contractor to fully perform the Services and to grant any licenses under this Agreement, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
 - (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule. In this section and in section 5.2, "Privacy Protection Schedule" means the Privacy Protection Schedule attached as Schedule E.

Collection of personal information

5.2 As contemplated by sections 4 and 5 of the Privacy Protection Schedule, it is specified that in performing the Services:

- (a) the Contractor may collect personal information from a person other than the individual the information is about; and

- (b) the Contractor is not required to tell an individual from whom the Contractor collects personal information about any of the matters described in section 27(2)(a) to (c) of the *Freedom of Information and Protection of Privacy Act*.

In this section, "personal information" has the same meaning as in the Privacy Protection Schedule.

Security

5.3 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

5.4 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:

- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
- (b) as required by the rules of professional conduct or code of ethics of an applicable professional governing body; or
- (c) if it is information that is generally known to the public other than as result of a breach of this Agreement.

Public announcements

5.5 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

5.6 The Contractor must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

6.1 If the Contractor receives a request for access to any of the Material from a person other than the Province, and the Contractor has not been authorized or required to provide that access by this Agreement or a separate written consent or direction of the Province, the Contractor must promptly advise the person to make the request to the Province.

Ownership of Material

6.2 The parties agree that:

- (a) the Province owns the copies of the Final Deliverables delivered to the Province by the Contractor;
- (b) no proprietary rights, including intellectual property rights, in the Received Material are acquired by the Contractor or Subcontractor as a result of the Received Material being received by the Contractor or Subcontractor from the Province or other owner; and

- (c) except as provided in this Agreement, the Contractor owns all proprietary rights, including intellectual property rights, in the Produced Material.

License of Final Deliverables

6.3 Upon delivery of the Final Deliverables to the Province, the Contractor grants to the Province

- (a) an exclusive, perpetual, irrevocable, royalty-free, worldwide license to exercise, in respect of the Final Deliverables, the rights set out in the *Copyright Act* (Canada), including the right to use, reproduce, publish and distribute the Final Deliverables in whole or in the part; and
- (b) the right to sublicense or assign to third parties any or all of the rights granted to the Province under section 6.3(a)

subject to any conditions that may be set out in Schedule A.

Delivery of Received Material

6.4 The Contractor must deliver any Received Material to the Province immediately on the Province's request.

7 RECORDS AND REPORTS

Work reporting

7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 INDEMNITY AND INSURANCE

Indemnity

8.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any loss, claim (including any claim of infringement of third-party intellectual property rights), damage award, action, cause of action, cost or expense that the Province or any of the Province's employees or agents may sustain, incur, suffer or be put to at any time, either before or after this Agreement ends, (each a "Loss") to the extent the Loss is directly or indirectly caused or contributed to by:

- (a) any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement; or
- (b) any representation or warranty of the Contractor being or becoming untrue or incorrect.

Monetary limitations of indemnity

8.2 The indemnification by the Contractor pursuant to section 8.1 is limited to:

- (a) \$2,000,000 per Loss; and
- (b) \$4,000,000, in the aggregate for all Losses.

Exceptions to monetary limitations

8.3 The limitations set out in section 8.2 do not apply to a Loss resulting from or relating to any of the following:

- (a) bodily injury or damage to real property or tangible personal property;
- (b) third-party intellectual property rights; or
- (c) a breach of section 5.1 to 5.3 or 6.1 of this Agreement.

Province to notify Contractor of Loss

8.4 To claim indemnification for a Loss pursuant to section 8.1, the Province must notify the Contractor in writing of the Loss as soon as reasonably practicable after the Province becomes aware of the Loss, provided that a failure by the Province to provide such notification will not invalidate the claim, unless the Contractor is materially prejudiced by that failure.

Third-party intellectual property infringement claims

8.5 If the Loss is on the basis of a third-party claim that any element of the Material infringes the intellectual property rights of any person,

- (a) then, without limiting section 8.1, the Contractor must defend the Province against that claim at the Contractor's expense and the Contractor must pay all associated costs, damages and legal fees that a court or arbitrator finally awards or are included in a settlement agreed to by the Contractor; and
- (b) the Province must cooperate with the Contractor in the defence of the claim and, where appropriate in the discretion of the Province, will allow the Contractor to appoint and instruct counsel and otherwise control the defence and any related settlement negotiations.

Insurance

8.6 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

8.7 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

8.8 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:

- (a) the Contractor is an individual or partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
- (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

8.9 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 8.7 and 8.8.

9 FORCE MAJEURE

Definitions relating to force majeure

9.1 In this section and sections 9.2 and 9.3:

(a) "Event of Force Majeure" means one of the following events:

- (i) a natural disaster, fire, flood, storm, epidemic or power failure,
- (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
- (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
- (iv) a freight embargo

if the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and

(b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

9.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 9.3.

Duties of Affected Party

9.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

10 DEFAULT AND TERMINATION

Definitions relating to default and termination

10.1 In this section and sections 10.2 to 10.4:

(a) "Event of Default" means any of the following:

- (i) an Insolvency Event,
- (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
- (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and

(b) "Insolvency Event" means any of the following:

- (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
- (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
- (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
- (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
- (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or
- (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 10.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 10.2(a).

Delay not a waiver

- 10.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 10.4 In addition to the Province's right to terminate this Agreement under section 10.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 10.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 10.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 10.6 The payment by the Province of the amount described in section 10.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 10.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

11 DISPUTE RESOLUTION

Dispute resolution process

- 11.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:

- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
- (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the Mediate BC Society; and
- (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Arbitration Act*.

Location of arbitration or mediation

- 11.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 11.1 will be held in Victoria, British Columbia.

Costs of arbitration or mediation

- 11.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of an arbitration or mediation under section 11.1 other than those costs relating to the production of expert evidence or representation by counsel.

12 MISCELLANEOUS

Delivery of notices

- 12.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 12.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 12.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 12.3 The Contractor must not assign any of the Contractor's rights or obligations under this Agreement without the Province's prior written consent. Upon providing written notice to the Contractor, the Province may assign to any person any of the Province's rights under this Agreement and may assign to any "government corporation", as defined in the *Financial Administration Act*, any of the Province's obligations under this Agreement.

Subcontracting

- 12.4 The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:

- (a) any person retained by the Contractor to perform obligations under this Agreement; and
- (b) any person retained by a person described in paragraph (a) to perform those obligations

fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 12.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 12.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 12.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 12.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.6, 6.1 to 6.4, 7.1, 7.2, 8.1 to 8.6, 9.1 to 9.3, 10.2, 10.3, 10.5, 10.6, 11.1 to 11.3, 12.1, 12.2, 12.8, and 12.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely subject to any applicable limitation period prescribed by law, even after this Agreement ends.

Schedules

- 12.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 12.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:
- (a) an employee or partner of the Province; or
 - (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 12.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 12.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent Information

- 12.13 The Province must make available to the Contractor any information in the Province's possession that is required by the Contractor to perform the Services.

Conflict of interest

- 12.14 The Contractor must not provide any services to any person in circumstances which, in the Province's reasonable opinion, could give rise to a conflict of interest between the Contractor's duties to that person and the Contractor's duties to the Province under this Agreement.

Time

- 12.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 12.16 Conflicts among provisions of this Agreement will be resolved as follows:

- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
- (b) a provision in a schedule will prevail over any conflicting provision in a document attached to, or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 12.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor may be required to obtain from the Province or any of its agencies in order to provide the Services. Nothing in this Agreement is to be construed as interfering with, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 12.18 If any provision of this Agreement or the application of it to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 12.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 12.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

- 12.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

13 INTERPRETATION



13.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

14 EXECUTION AND DELIVERY OF AGREEMENT

- 14.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 12.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u>31st</u> day of <u>January</u>, 2018 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p></p> <p>_____ Signature(s)</p> <p><u>Erik Niemi</u> _____ Print Name(s)</p> <p><u>Partner</u> _____ Print Title(s)</p>	<p>SIGNED on the <u>2</u> day of <u>Feb</u>, 2018 on behalf of the Province by its duly authorized representative:</p> <p></p> <p>_____ Signature</p> <p><u>Robb Gibbs</u> _____ Print Name</p> <p><u>Assistant Deputy Minister</u> _____ Print Title</p>
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Schedule A – Services

PART 1. TERM:

Regardless of the date of execution, the term of this Agreement commences on January 29th, 2018 and ends on March 31st, 2018.

PART 2. SERVICES:

As directed by the contractor manager, or their designated alternate, the Contractor will provide the services as per the attached, "Statement of Work for Testing of Compliance with Advertising Services Agreements – Kimbo Design Inc.", dated January 18, 2018.

PART 3. RELATED DOCUMENTATION:

1. The following documentation is incorporated by reference into this Schedule A:
 - Statement of Work for Testing of Compliance with Advertising Services Agreements – Kimbo Design Inc. Dated January 18, 2018

PART 4 KEY PERSONNEL:

The Key Personnel of the Contractor are as listed in the attached, "Statement of Work for Testing of Compliance with Advertising Services Agreements – Kimbo Design Inc. - Staffing", dated January 18, 2018

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Maximum Amount: Despite sections 2 and 3 of this Schedule, \$24,500 is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described in section 3.1(c) of this Agreement).

2. FEES:

Fees: maximum amount billable is \$24,000 for those hours during the Term when the Contractor provides the Services.

3. EXPENSES:

Expenses:

- (a) maximum amount billable is \$500;
- (b) pre-approved travel, accommodation and meal expenses for travel greater than 32 kilometers away from 777 Dunsmuir Street, Vancouver, British Columbia on the same basis as the Province pays its Group II employees when they are on travel status; and
- (c) pre-approved actual long distance telephone, fax, postage and other identifiable communication expenses; and

excluding goods and services tax ("GST") or other applicable tax paid or payable by the Contractor on expenses described in (a) to (c) above to the extent that the Contractor is entitled to claim credits (including GST input tax credits), rebates, refunds or remissions of the tax from the relevant taxation authorities.

4. STATEMENTS OF ACCOUNT:

Statements of Account: In order to obtain payment of any fees and expenses under this Agreement for a period from and including the 1st day of a month to and including the last day of that month (each a "Billing Period"), the Contractor must deliver to the Province on a date after the Billing Period (each a "Billing Date"), a written statement of account in a form satisfactory to the Province containing:

- (a) the Contractor's legal name and address;
- (b) the date of the statement, and the Billing Period to which the statement pertains;
- (c) the Contractor's calculation of all fees claimed for that Billing Period, including a declaration by the Contractor of all hours worked on each day during the Billing Period for which the Contractor claims fees and a description of the applicable fee rates;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor for the Billing Period with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any GST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;
- (e) the Contractor's calculation of any applicable taxes payable by the Province in relation to the Services for the Billing Period;
- (f) a description of this Agreement;
- (g) a statement number for identification; and
- (h) any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Payments Due: Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes), claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s): Not Applicable

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and

- (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
- 4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule: Not Applicable

Schedule F – Additional Terms: Not Applicable

Schedule G – Security Schedule

Definitions

1. In this Schedule,

- (a) "Equipment" means any equipment, including interconnected systems or subsystems of equipment, software and networks, used or to be used by the Contractor to provide the Services;
- (b) "Facilities" means any facilities at which the Contractor provides or is to provide the Services;
- (c) "Information" means information
 - (i) in the Material, or
 - (ii) accessed, produced or obtained by the Contractor (whether verbally, electronically or otherwise) as a result of the Agreement;
- (d) "Record" means a "record" as defined in the *Interpretation Act*;
- (e) "Sensitive Information" means
 - (i) Information that is "personal information" as defined in the *Freedom of Information and Protection of Privacy Act*, or
 - (ii) any other Information specified as "Sensitive Information" in Appendix G6, if attached; and
- (f) "Services Worker" means an individual involved in providing the Services for or on behalf of the Contractor and, for greater certainty, may include
 - (i) the Contractor or a subcontractor if an individual, or
 - (ii) an employee or volunteer of the Contractor or of a subcontractor.

Schedule contains additional obligations

2. The obligations of the Contractor in this Schedule are in addition to any other obligation in the Agreement or the schedules attached to it relating to security including, without limitation, the obligations of the Contractor in the Privacy Protection Schedule, if attached.

Services Worker confidentiality agreements

3. The Contractor must not permit a Services Worker who is an employee or volunteer of the Contractor to have access to Sensitive Information unless the Services Worker has first entered into a confidentiality agreement with the Contractor to keep Sensitive Information confidential on substantially similar terms as those that apply to the Contractor under the Agreement.

Services Worker security screening

4. The Contractor may only permit a Services Worker who is an employee or a volunteer of the Contractor to have access to Sensitive Information or otherwise be involved in providing the Services if, after having subjected the Services Worker to the personnel security screening requirements set out in Appendix G1 and any additional requirements the Contractor may consider appropriate, the Contractor is satisfied that the Services Worker does not constitute an unreasonable security risk. The Contractor must create, obtain and

retain Records documenting the Contractor's compliance with the security screening requirements set out in Appendix G1 in accordance with the provisions of that appendix.

Services Worker activity logging

5. Subject to section 6, the Contractor must create and maintain detailed Records logging the activities of all Service Workers in relation to:
 - (a) their access to Sensitive Information; and
 - (b) other matters specified by the Province in writing for the purposes of this section.
6. The Records described in section 5 must be made and maintained in a manner, and contain information, specified in Appendix G2, if attached.

Facilities and Equipment protection and access control

7. The Contractor must create, maintain and follow a documented process to:
 - (a) protect Facilities and Equipment of the Contractor required by the Contractor to provide the Services from loss, damage or any other occurrence that may result in any of those Facilities and Equipment being unavailable when required to provide the Services; and
 - (b) limit access to Facilities and Equipment of the Contractor
 - (i) being used by the Contractor to provide the Services, or
 - (ii) that may be used by someone to access Information

to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons.

8. If the Province makes available to the Contractor any Facilities or Equipment of the Province for the use of the Contractor in providing the Services, the Contractor must comply with any policies and procedures provided to it by the Province on acceptable use, protection of, and access to, such Facilities or Equipment.

Sensitive Information access control

9. The Contractor must:
 - (a) create, maintain and follow a documented process for limiting access to Sensitive Information to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons; and
 - (b) comply with the information access control requirements set out in Appendix G3, if attached.

Integrity of Information

10. The Contractor must:
 - (a) create, maintain and follow a documented process for maintaining the integrity of Information while possessed or accessed by the Contractor; and
 - (b) comply with the information integrity requirements set out in Appendix G4, if attached.
11. For the purposes of section 10, maintaining the integrity of Information means that, except to the extent expressly authorized by the Agreement or approved in writing by the Province, the Information has:
 - (a) remained as complete as when it was acquired or accessed by the Contractor; and
 - (b) not been altered in any material respect.

Documentation of changes to processes

12. The Contractor must create and maintain detailed Records logging any changes it makes to the processes described in sections 7, 9 and 10.

Notice of security breaches

13. If Contractor becomes aware that:
 - (a) unauthorized access, collection, use, disclosure, alteration or disposal of Information or Records containing Information; or
 - (b) unauthorized access to Facilities or Equipment

has occurred or is likely to occur (whether or not related to a failure by the Contractor to comply with this Schedule or the Agreement), the Contractor must immediately notify the Province of the particulars of that occurrence or likely occurrence. If the Contractor provides a notification under this section other than in writing, that notification must be confirmed in writing to the Province as soon as it is reasonably practicable for the Contractor to do so.

Review of security breaches

14. If the Province decides to conduct a review of a matter described in section 13 (whether or not the matter came to the attention of the Province as a result of a notification under section 13), the Contractor must, on the request of the Province, participate in the review to the extent that it is reasonably practicable for the Contractor to do so.

Retention of Records

15. Unless the Agreement otherwise specifies, the Contractor must retain all Records in the Contractor's possession that contain Information until directed by the Province in writing to dispose of them or deliver them as specified in the direction.

Storage of Records

16. Until disposed of or delivered in accordance with section 15, the Contractor must store any Records in the Contractor's possession that contain Information in accordance with the provisions of Appendix G5, if attached.

Audit

17. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy:
 - (a) any Records in the possession of the Contractor containing Information; or
 - (b) any of the Contractor's Information management policies or processes (including the processes described in sections 7, 9 and 10 and the logs described in sections 5 and 12) relevant to the Contractor's compliance with this Schedule

and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

Termination of Agreement

18. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

19. In this Schedule, unless otherwise specified:
 - (a) references to sections are to sections of this Schedule; and
 - (b) references to appendices are to the appendices attached to this Schedule.
20. Any reference to the "Contractor" in this Schedule includes any subcontractor retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors comply with this Schedule.
21. The appendices attached to this Schedule are part of this Schedule.
22. If there is a conflict between a provision in an appendix attached to this Schedule and any other provision of this Schedule, the provision in the appendix is inoperative to the extent of the conflict unless the appendix states that it operates despite a conflicting provision of this Schedule.
23. If there is a conflict between:
 - (a) a provision of the Agreement, this Schedule or an appendix attached to this Schedule; and
 - (b) a documented process required by this Schedule to be created or maintained by the Contractorthe provision of the Agreement, Schedule or appendix will prevail to the extent of the conflict.
24. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.

SCHEDULE G – Appendix G1 – Security screening requirements

The personnel security screening requirements set out in this Appendix G1 are for the purpose of assisting the Contractor to determine whether or not a Services Worker constitutes an unreasonable security risk.

Verification of name, date of birth and address

- The Contractor must verify the name, date of birth and current address of a Services Worker by viewing at least one piece of "primary identification" of the Services Worker and at least one piece of "secondary identification" of the Services Worker,* as described in the table following this section. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records. For a Services Worker from another province or jurisdiction, reasonably equivalent identification documents are acceptable.

Primary Identification	Secondary Identification
<p>Issued by ICBC:</p> <ul style="list-style-type: none"> B.C. driver's licence or learner's licence (must have photo) B.C. Identification (BCID) card <p>Issued by provincial or territorial government:</p> <ul style="list-style-type: none"> Canadian birth certificate <p>Issued by Government of Canada:</p> <ul style="list-style-type: none"> Canadian Citizenship Card Permanent Resident Card Canadian Record of Landing/Canadian Immigration Identification Record 	<ul style="list-style-type: none"> School ID card (student card) Bank card (only if holder's name is on card) Credit card (only if holder's name is on card) Passport Foreign birth certificate (a baptismal certificate is not acceptable) Canadian or U.S. driver's licence Naturalization certificate Canadian Forces identification Police identification Foreign Affairs Canada or consular identification Vehicle registration (only if owner's signature is shown) Picture employee ID card Firearms Acquisition Certificate Social Insurance Card (only if has signature strip) B.C. CareCard Native Status Card Parole Certificate ID Correctional Service Conditional Release Card

*It is not necessary that each piece of identification viewed by the Contractor contains the name, date of birth and current address of the Services Worker. It is sufficient that, in combination, the identification viewed contains that information.

Verification of education and professional qualifications

- The Contractor must verify, by reasonable means, any relevant education and professional qualifications of a Services Worker, obtain or create, as applicable, Records of all such verifications, and retain a copy of those Records.

Verification of employment history and reference checks

3. The Contractor must verify, by reasonable means, any relevant employment history of a Services Worker, which will generally consist of the Contractor requesting that a Services Worker provide employment references and the Contractor contacting those references. If a Services Worker has no relevant employment history, the Contractor must seek to verify the character or other relevant personal characteristics of the Services Worker by requesting the Services Worker to provide one or more personal references and contacting those references. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records.

Security interview

4. The Contractor must allow the Province to conduct a security-focused interview with a Services Worker if the Province identifies a reasonable security concern and notifies the Contractor it wishes to do so.

Criminal history check

5. The Contractor must arrange for and retain documented results of a criminal history check on a Services Worker obtained through the Services Worker's local policing agency. Criminal history checks must be repeated as necessary to ensure that at all times the most recent criminal history check on a Services Worker was completed within the previous five years.

Credit check

6. The Contractor must arrange for and retain the documented results of a credit check on a Services Worker obtained through an authorized credit reporting agency. Credit checks must be repeated as necessary to ensure that at all times the most recent credit check on a Services Worker was completed within the previous five years.

Government Communications and Public Engagement

Statement of Work for Testing of Compliance with Advertising Services Agreements—Kimbo Design Inc.

January 18, 2018

Submitted by:
KPMG LLP
Vancouver, BC
Erik Niemi, Partner

Background

Government Communication and Public Engagement (GCPE) is a central agency of the Province of British Columbia (the Government/Province) responsible for informing the public about government programs, services, policies and priorities through traditional communication practices and, increasingly, through direct engagement and online services.

GCPE has entered into a Standing Offer Agreement (Agreement) with its contractor Kimbo Design Inc. (Kimbo or the Contractor) for new media advertising placement services (i.e. online advertising, mobile, social media, other new media). Under this Agreement, Kimbo is to process media placements and provide reporting on current and past media performance and placements. One of the Contractor's key responsibilities is to ensure "Media Performance" by media suppliers.

As part of the Government's contract management and expenditure control processes, GCPE would like to validate Kimbo's compliance with key requirements of the Agreement, and is requesting assistance from KPMG LLP (KPMG) to perform the required testing to support the Government's assessment of compliance.

Objectives and Scope

The objective of this engagement is to perform required testing procedures with respect to the Province's transactions with Kimbo for the period April 1, 2016 to March 31, 2017, and report the results of our testing procedures to GCPE to support its conclusion regarding compliance with the Agreement.

Scope

The scope of this engagement will include performing agreed-upon auditing/testing procedures related to Contractor Performance (based on the terms of the agreement between the Contractor and the Province) and Media Performance, and reporting the factual results of our testing procedures to GCPE. The specific test procedures to be performed will be determined during the initial steps of this engagement (see Approach section further below).

Contractor Performance includes requirements for the Contractor to:

- Review media suppliers for media performance
- Make timely payment to the media suppliers
- Charge fees and expenses in accordance with the Agreement, and billings to the Province should not include other expenses otherwise covered by the annual reimbursement for such expenses by the Province and which should be borne in part or in total by the Contractor
- Invoice the Province for media costs, and that such media costs are net of all discounts received

- Administer the Trust Account in compliance with the Agreement.

Media Performance includes requirements for the Contractor to:

- Maintain evidence of its verification of media performance (i.e. documentation, including tear sheets and other evidence)
- Maintain tear sheets and other evidence to support the invoices billed to the Province
- Account for and pass on to the Province any adjustments, including residual amounts due from media suppliers.

Scope Limitation

We will report on agreed-upon auditing/testing procedures performed and the factual results obtained from performing those procedures. We will not provide an audit opinion or negative assurance on the contractor's compliance with the Agreement, as such services are defined by the CPA Canada Handbook, or provide a conclusion on legal contract compliance.

Approach

The engagement approach will include the following activities:

- Review the Agreement to identify the key requirements of the Contractor.
- Develop agreed-upon procedures to test whether the Contractor is in compliance with the key requirements identified.
- Provide GCPE management with draft agreed-upon procedures and obtain feedback. The following example procedures are preliminary and may be further refined after our review of the current Agreement requirements:
 - Obtain a list of all payments to Kimbo, by government entity for the period April 1, 2016 to March 31, 2017.
 - Identify a selection of Contractor invoices received and paid by the Province for testing. The number of items to select will be agreed-upon based upon population size.
 - Request copies of supporting Contractor invoices from the Contractor for the selected items.
 - Attend the offices of the Contractor to inspect:
 - evidence such as tear sheets for each invoice selected to determine whether the Contractor reviewed media supplier for media performance;
 - evidence that media services billed by the Contractor agreed to services that were ordered by the Province;
 - the Contractor's invoices to the Province to identify the fees and expenses charged, and determine whether they are allowable under the Agreement;
 - payments made to suppliers and determine whether they were made within a timely manner based on requirements of the Agreement;
 - the Contractor's invoices from its media suppliers for any discounts, and trace to the Contractor's invoice to the Province to determine whether the discounts were passed on to the Province, if applicable per the Agreement;
 - bank statements to determine whether any remaining balance in the Trust Account is paid to the Province at the end of each fiscal year or upon termination of the agreement.
 - Finalize the agreed-upon procedures to be performed.

- Provide regular updates to GCPE on status of fieldwork and any issues noted.
- Discuss preliminary observations with management of the Contractor to validate findings.
- Provide a draft agreed-upon procedures report to GCPE, summarizing the details of the procedures performed and results obtained for management feedback.
- Issue a final agreed-upon procedures report to GCPE.

— Kimbo is expected to be available to provide assistance with respect to the retrieval of government documentation for inspection and the extraction of government documentation for selection and inspection purposes.

Deliverables

Our deliverable will be an agreed-upon procedures report to GCPE outlining the agreed-upon procedures performed and the results of performing those procedures. The work will be conducted and the report will be issued based upon guidance set out in the CPA Canada Handbook as relevant to agreed-upon procedures reports. Our deliverables will include a draft report for management feedback and a final report.

Distribution and Use of Deliverables and Other Matters

Our deliverables will be solely for internal use by GCPE in order to help support management's assessment of contractor compliance with its advertising service agreements.

KPMG acknowledges the GCPE may be required to release copies of our deliverables in accordance with Freedom of Information (FOI) legislation, with the understanding that KPMG's work is not intended for use and therefore cannot be relied upon by any third parties (i.e. outside GCPE) that may obtain copies of our deliverables, whether through FOI or by other means. Copies of our deliverables should be distributed in their entirety, and should not be quoted in other literature or reports.

Our work will be advisory in nature and will not constitute an audit or review engagement as such terms are defined in CPA Canada literature. Accordingly, we will not express an audit opinion, conclusion, or other form of attestation or assurance regarding contract compliance by Kimbo. Our deliverables will present our observations as of the date we perform our work. KPMG will not be obligated to update its deliverables or findings as a result of any new information or events subsequent to completion of our work; however, we reserve the right to update our deliverables if appropriate.

Timing

Phase	Milestone / Deliverables	Tentative Timing (2018)
Scoping	Statement of Work approval	Jan 22
Planning	Review agreements and develop agreed-upon procedures	Jan 26
	Finalization of agreed-upon procedures	Feb 2
Fieldwork	Commencement of fieldwork	Feb 19
	Completion of fieldwork	Mar 9
Reporting	Issue of draft report	Mar 16

Phase	Milestone / Deliverables	Tentative Timing (2018)
	Provision of final report	Mar 23

In the event we identify any significant unexpected issues or delays in meeting this timeline, we will promptly communicate such concerns to the project manager and GCPE management.

Staffing

Our team will be led by Erik Niemi s.22
s.22

Jenny Yue-Detterer s.22
s.22

Shaun Wilson s.22
s.22

We may involve additional KPMG professionals if required to assist with the work in order to deliver quality results on a timely basis. Such additional personnel are chosen based on qualifications and experience and availability based on the requirements and deadlines associated with this project.

Professional resumes for our team members are available upon request.

Fee Quote

Based upon our understanding of the objectives, scope and overall requirements for this engagement, we estimate we will require approximately 110 hours to complete this engagement, resulting in a fee of **\$24,500** including expenses, plus GST. Our fees will be billed monthly as the work progresses.

This is a fixed fee quote and assumes no unanticipated issues and that required assistance and cooperation is provided on a timely basis. In addition to the proposed scope and approach, our time and fee estimates assume no significant delays in the project schedule and assume timely assistance from GCPE and Kimbo as required. In the event we determine that significantly more (i.e. > 10%) than 110 hours is required to complete the work, we will inform you promptly, discuss options and request your direction on how to proceed.

Independence

Please note that KPMG does not provide any professional services to Kimbo Design Inc. and we do not have any conflicts of interest related to performing this engagement.

Contracting

It is understood the contract for this engagement will be based on the BC Government's standard General Services Agreement (GSA) template for Financial Review and Assurance Services (FRAS) contracts.

This engagement is subject to satisfactory completion of KPMG's standard engagement acceptance procedures and execution of a contract with mutually acceptable terms and conditions. Our internal acceptance procedures are in progress and have not been completed yet. We currently do not anticipate any issues with this process, which we are required to complete before we sign the contract and commence work.

Please do not hesitate to contact me if we can provide any additional information or clarification.

Yours faithfully,

On behalf of KPMG LLP

Erik Niemi

Partner

Risk Consulting

National Leader, System Assurance & SOC Services

s.22

erniemi@kpmg.ca

DIRECT AWARD JUSTIFICATION

FORM USAGE AND ROUTING:

This form must be completed by the contract manager to clearly document the justification for direct awarding a service contract and ensures compliance with government contract policy. The original completed and signed form must be retained in the program contract file.

CONTRACT INFORMATION

Ministry: Ministry of Finance

Program: Marketing and Advertising

Contract Manager Name and Phone Kathryn LeSueur

778 698-8674

Legal Contractor Name: KPMG LLP

Contract Value:

\$24,500

Term: Jan 29, 2018 - Mar 31, 201

STOB: 6030

Contract Type ☒ New ☐ Multi-year ☐ Renewal

Commonly Used Contract STOBs:

6001/02 - Operational - Fees/expenses for contracts that provide for a direct provision of goods or services in the delivery of government programs (e.g., project mgmt).

6003/04 - Regulatory - Fees/expenses for contracts that provide for a direct provision of goods or services required by statute or regulation.

6020/21 - Education and Training - Fees/expenses for contracts that deliver training to government employees.

6101/02 - Advisory - Fees/expenses for contracts with the provision of advisory services to the ministry (e.g., management consulting).

6302 - Data Operations Non-WTS - Fees/expenses for contracts that provide for a direct provision of IT related goods/services in the delivery of government programs (e.g., data processing, operating lease rentals).

6309/10 - Data Consulting Non-WTS - Fees/expenses for consulting contracts related to information systems.

RATIONALE FOR ALL DIRECT AWARD CONTRACTS

1. Describe the services required and provide an explanation of why you need to acquire these services.

Testing of Compliance with Advertising Services Agreement - Kimbo Design Inc.

This supplier has completed compliance reviews for GCPE in the past, they are familiar with the file and they were available to meet the tight deadlines in place.

2. Under which Core Policy and Procedures Manual exception is this direct award request being made (see section 6.3.3)?

☐ Public Sector Organization

☐ Sole Source

☐ Sole Source - Notice of Intent

☐ Security, Order, etc.

☐ Emergency

☐ Confidentiality

☐ No Exceptions Apply - \$25,000 to \$75,000 posted on BC Bid or three quotes obtained

☒ No Exceptions Apply - Less than \$25,000 neither cost effective nor reasonable

3. Explain the reason why this contract meets the criteria of the above selection (i.e. how would a competitive process compromise government confidentiality, cause economic disaster or be contrary to the public interest)?

This contract was awarded in accordance with the pre-award and solicitation criteria included in the Core Policy Manual section 6.3.2c.6.

A competitive process is not considered reasonable nor cost effective. Also refer to #1 above.

4. Will this purchase obligate government to this vendor for future purchases (e.g., maintenance, licensing or continuing need)? If yes, provide details.

No

5. Were alternative vendors evaluated? If yes, who were they and why were they unacceptable? If no, why were alternatives not evaluated?

Refer to #3 above

ADDITIONAL RATIONALE FOR SOLE SOURCE CONTRACTS ONLY

1. Why is the requested vendor the only one that can meet your requirements? Provide specific, quantifiable factors and/or qualifications and explain why they are necessary.

2. What other suppliers did you consider before arriving at the conclusion that the sole source direct award criteria was met and the requested vendor was the only one that met your needs.

APPROVALS

CONTRACT MANAGER

Kathryn LeSueur

Name (Please Print)

Kathryn LeSueur Feb. 1 / 2018

Signature & Date

EXPENSE AUTHORITY

Paul F. B. S.

Name (Please Print)

Paul F. B. S. Feb 2 / 18

Signature & Date

FINANCIAL REVIEW AND ASSURANCE SERVICES AGREEMENT



For Administrative Purposes Only

Ministry Contract No.: C18GCPE37296
Requisition No.: 37296
Solicitation No.(if applicable): n/a
Commodity Code: AZ.AZ01

Contractor Information

Supplier Name: KPMG LLP
Supplier No.: 044422
Telephone No.: s.22
E-mail Address: erniemi@kpmg.ca
Website: n/a

Financial Information

Client: 022
Responsibility Centre: 32348
Service Line: 34420
STOB: 6030
Project: 32N0141

Template version: July 31, 2017

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SCHEDULE A – SERVICES

- Part 1 - Term
- Part 2 - Services
- Part 3 - Related Documentation
- Part 4 - Key Personnel

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- Part 1 - Maximum Amount Payable
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SCHEDULE C – APPROVED SUBCONTRACTOR(S)

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SCHEDULE E – PRIVACY PROTECTION SCHEDULE

SCHEDULE F – ADDITIONAL TERMS

SCHEDULE G – SECURITY SCHEDULE

THIS AGREEMENT is dated for reference the 29th day of January, 2018.

BETWEEN:

KPMG LLP (the "Contractor") with the following specified address and fax number:
777 Dunsmuir Street, Suite 1100
PO Box 10426 Pacific Centre
Vancouver, British Columbia V7Y 1K3
Fax: N/A

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Finance, Government Communications and Public Engagement (the "Province") with the following specified address and fax number:
4th floor 617 Government Street
PO Box 9409 STN PROV GOVT
Victoria, British Columbia V8W 9V1
Fax: 250-387-0718

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Final Deliverables" means the final versions of the reports, findings, opinions or other materials (including any appendices or other attachments to them) specified in Schedule A as the "Final Deliverables";
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means working papers, accounting records, draft opinions, notes, reports, findings, records and other material, whether complete or not, that, as a result of this Agreement, are produced or provided by the Contractor or a Subcontractor and includes the Final Deliverables;
- (e) "Received Material" means records and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 12.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

- 2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor must perform the Services to a standard of care, skill and diligence maintained by persons providing, on a commercial basis, services similar to the Services.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:
- (a) the fees described in that Schedule;
 - (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and
 - (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b).

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 8.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify in whole or in part the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 12.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

3.8 The Contractor must:

- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
- (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

4.1 As at the date this Agreement is executed and delivered by, or on behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
 - (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual or other agreements in place and available to enable the Contractor to fully perform the Services and to grant any licenses under this Agreement, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
 - (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule. In this section and in section 5.2, "Privacy Protection Schedule" means the Privacy Protection Schedule attached as Schedule E.

Collection of personal information

5.2 As contemplated by sections 4 and 5 of the Privacy Protection Schedule, it is specified that in performing the Services:

- (a) the Contractor may collect personal information from a person other than the individual the information is about; and

- (b) the Contractor is not required to tell an individual from whom the Contractor collects personal information about any of the matters described in section 27(2)(a) to (c) of the *Freedom of Information and Protection of Privacy Act*.

In this section, "personal information" has the same meaning as in the Privacy Protection Schedule.

Security

5.3 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

5.4 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:

- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
- (b) as required by the rules of professional conduct or code of ethics of an applicable professional governing body; or
- (c) if it is information that is generally known to the public other than as result of a breach of this Agreement.

Public announcements

5.5 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

5.6 The Contractor must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

6.1 If the Contractor receives a request for access to any of the Material from a person other than the Province, and the Contractor has not been authorized or required to provide that access by this Agreement or a separate written consent or direction of the Province, the Contractor must promptly advise the person to make the request to the Province.

Ownership of Material

6.2 The parties agree that:

- (a) the Province owns the copies of the Final Deliverables delivered to the Province by the Contractor;
- (b) no proprietary rights, including intellectual property rights, in the Received Material are acquired by the Contractor or Subcontractor as a result of the Received Material being received by the Contractor or Subcontractor from the Province or other owner; and

- (c) except as provided in this Agreement, the Contractor owns all proprietary rights, including intellectual property rights, in the Produced Material.

License of Final Deliverables

- 6.3 Upon delivery of the Final Deliverables to the Province, the Contractor grants to the Province
- (a) an exclusive, perpetual, irrevocable, royalty-free, worldwide license to exercise, in respect of the Final Deliverables, the rights set out in the *Copyright Act* (Canada), including the right to use, reproduce, publish and distribute the Final Deliverables in whole or in the part; and
 - (b) the right to sublicense or assign to third parties any or all of the rights granted to the Province under section 6.3(a)

subject to any conditions that may be set out in Schedule A.

Delivery of Received Material

- 6.4 The Contractor must deliver any Received Material to the Province immediately on the Province's request.

7 RECORDS AND REPORTS

Work reporting

- 7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

- 7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 INDEMNITY AND INSURANCE

Indemnity

- 8.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any loss, claim (including any claim of infringement of third-party intellectual property rights), damage award, action, cause of action, cost or expense that the Province or any of the Province's employees or agents may sustain, incur, suffer or be put to at any time, either before or after this Agreement ends, (each a "Loss") to the extent the Loss is directly or indirectly caused or contributed to by:
- (a) any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement; or
 - (b) any representation or warranty of the Contractor being or becoming untrue or incorrect.

Monetary limitations of indemnity

- 8.2 The indemnification by the Contractor pursuant to section 8.1 is limited to:
- (a) \$2,000,000 per Loss; and
 - (b) \$4,000,000, in the aggregate for all Losses.

Exceptions to monetary limitations

8.3 The limitations set out in section 8.2 do not apply to a Loss resulting from or relating to any of the following:

- (a) bodily injury or damage to real property or tangible personal property;
- (b) third-party intellectual property rights; or
- (c) a breach of section 5.1 to 5.3 or 6.1 of this Agreement.

Province to notify Contractor of Loss

8.4 To claim indemnification for a Loss pursuant to section 8.1, the Province must notify the Contractor in writing of the Loss as soon as reasonably practicable after the Province becomes aware of the Loss, provided that a failure by the Province to provide such notification will not invalidate the claim, unless the Contractor is materially prejudiced by that failure.

Third-party intellectual property infringement claims

8.5 If the Loss is on the basis of a third-party claim that any element of the Material infringes the intellectual property rights of any person,

- (a) then, without limiting section 8.1, the Contractor must defend the Province against that claim at the Contractor's expense and the Contractor must pay all associated costs, damages and legal fees that a court or arbitrator finally awards or are included in a settlement agreed to by the Contractor; and
- (b) the Province must cooperate with the Contractor in the defence of the claim and, where appropriate in the discretion of the Province, will allow the Contractor to appoint and instruct counsel and otherwise control the defence and any related settlement negotiations.

Insurance

8.6 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

8.7 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

8.8 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:

- (a) the Contractor is an individual or partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
- (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

8.9 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 8.7 and 8.8.

9 FORCE MAJEURE

Definitions relating to force majeure

9.1 In this section and sections 9.2 and 9.3:

(a) "Event of Force Majeure" means one of the following events:

- (i) a natural disaster, fire, flood, storm, epidemic or power failure,
- (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
- (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
- (iv) a freight embargo

if the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and

(b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

9.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 9.3.

Duties of Affected Party

9.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

10 DEFAULT AND TERMINATION

Definitions relating to default and termination

10.1 In this section and sections 10.2 to 10.4:

(a) "Event of Default" means any of the following:

- (i) an Insolvency Event,
- (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
- (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and

(b) "Insolvency Event" means any of the following:

- (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
- (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
- (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
- (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
- (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or
- (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 10.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 10.2(a).

Delay not a waiver

- 10.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 10.4 In addition to the Province's right to terminate this Agreement under section 10.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 10.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 10.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 10.6 The payment by the Province of the amount described in section 10.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 10.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

11 DISPUTE RESOLUTION

Dispute resolution process

- 11.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:

- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
- (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the Mediate BC Society; and
- (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Arbitration Act*.

Location of arbitration or mediation

- 11.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 11.1 will be held in Victoria, British Columbia.

Costs of arbitration or mediation

- 11.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of an arbitration or mediation under section 11.1 other than those costs relating to the production of expert evidence or representation by counsel.

12 MISCELLANEOUS

Delivery of notices

- 12.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 12.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 12.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 12.3 The Contractor must not assign any of the Contractor's rights or obligations under this Agreement without the Province's prior written consent. Upon providing written notice to the Contractor, the Province may assign to any person any of the Province's rights under this Agreement and may assign to any "government corporation", as defined in the *Financial Administration Act*, any of the Province's obligations under this Agreement.

Subcontracting

- 12.4 The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:

- (a) any person retained by the Contractor to perform obligations under this Agreement; and
- (b) any person retained by a person described in paragraph (a) to perform those obligations

fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 12.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 12.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 12.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 12.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.6, 6.1 to 6.4, 7.1, 7.2, 8.1 to 8.6, 9.1 to 9.3, 10.2, 10.3, 10.5, 10.6, 11.1 to 11.3, 12.1, 12.2, 12.8, and 12.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely subject to any applicable limitation period prescribed by law, even after this Agreement ends.

Schedules

- 12.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 12.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:

- (a) an employee or partner of the Province; or
- (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 12.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 12.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent Information

- 12.13 The Province must make available to the Contractor any information in the Province's possession that is required by the Contractor to perform the Services.

Conflict of interest

- 12.14 The Contractor must not provide any services to any person in circumstances which, in the Province's reasonable opinion, could give rise to a conflict of interest between the Contractor's duties to that person and the Contractor's duties to the Province under this Agreement.

Time

- 12.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 12.16 Conflicts among provisions of this Agreement will be resolved as follows:
- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
 - (b) a provision in a schedule will prevail over any conflicting provision in a document attached to, or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 12.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor may be required to obtain from the Province or any of its agencies in order to provide the Services. Nothing in this Agreement is to be construed as interfering with, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 12.18 If any provision of this Agreement or the application of it to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 12.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 12.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

- 12.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

13 INTERPRETATION



13.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

14 EXECUTION AND DELIVERY OF AGREEMENT

- 14.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 12.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u>31st</u> day of <u>January</u>, 2018 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p></p> <p>_____ Signature(s)</p> <p><u>Erik Niemi</u> _____ Print Name(s)</p> <p><u>Partner</u> _____ Print Title(s)</p>	<p>SIGNED on the <u>2</u> day of <u>Feb</u>, 2018 on behalf of the Province by its duly authorized representative:</p> <p></p> <p>_____ Signature</p> <p><u>Robb Gibbs</u> _____ Print Name</p> <p><u>Assistant Deputy Minister</u> _____ Print Title</p>
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Schedule A – Services

PART 1. TERM:

Regardless of the date of execution, the term of this Agreement commences on January 29th, 2018 and ends on March 31st, 2018.

PART 2. SERVICES:

As directed by the contractor manager, or their designated alternate, the Contractor will provide the services as per the attached, "Statement of Work for Testing of Compliance with Advertising Services Agreement – Vizeum Canada Inc.", dated January 18, 2018.

PART 3. RELATED DOCUMENTATION:

1. The following documentation is incorporated by reference into this Schedule A:
 - Statement of Work for Testing of Compliance with Advertising Services Agreement – Vizeum Canada Inc.
Dated January 18, 2018

PART 4 KEY PERSONNEL:

The Key Personnel of the Contractor are as listed in the attached, "Statement of Work for Testing of Compliance with Advertising Services Agreement – Vizeum Canada Inc - Staffing", dated January 18, 2018

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Maximum Amount: Despite sections 2 and 3 of this Schedule, \$24,500 is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described in section 3.1(c) of this Agreement).

2. FEES:

Fees: maximum amount billable is \$24,000 for those hours during the Term when the Contractor provides the Services.

3. EXPENSES:

Expenses:

- (a) maximum amount billable is \$500;
- (b) pre-approved travel, accommodation and meal expenses for travel greater than 32 kilometers away from 777 Dunsmuir Street, Vancouver, British Columbia on the same basis as the Province pays its Group II employees when they are on travel status; and
- (c) pre-approved actual long distance telephone, fax, postage and other identifiable communication expenses; and

excluding goods and services tax ("GST") or other applicable tax paid or payable by the Contractor on expenses described in (a) to (c) above to the extent that the Contractor is entitled to claim credits (including GST input tax credits), rebates, refunds or remissions of the tax from the relevant taxation authorities.

4. STATEMENTS OF ACCOUNT:

Statements of Account: In order to obtain payment of any fees and expenses under this Agreement for a period from and including the 1st day of a month to and including the last day of that month (each a "Billing Period"), the Contractor must deliver to the Province on a date after the Billing Period (each a "Billing Date"), a written statement of account in a form satisfactory to the Province containing:

- (a) the Contractor's legal name and address;
- (b) the date of the statement, and the Billing Period to which the statement pertains;
- (c) the Contractor's calculation of all fees claimed for that Billing Period, including a declaration by the Contractor of all hours worked on each day during the Billing Period for which the Contractor claims fees and a description of the applicable fee rates;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor for the Billing Period with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any GST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;
- (e) the Contractor's calculation of any applicable taxes payable by the Province in relation to the Services for the Billing Period;
- (f) a description of this Agreement;
- (g) a statement number for identification; and
- (h) any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Payments Due: Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes), claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s): Not Applicable

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and

- (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
- 4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule: Not Applicable

Schedule F – Additional Terms: Not Applicable

Schedule G – Security Schedule

Definitions

1. In this Schedule,
 - (a) "Equipment" means any equipment, including interconnected systems or subsystems of equipment, software and networks, used or to be used by the Contractor to provide the Services;
 - (b) "Facilities" means any facilities at which the Contractor provides or is to provide the Services;
 - (c) "Information" means information
 - (i) in the Material, or
 - (ii) accessed, produced or obtained by the Contractor (whether verbally, electronically or otherwise) as a result of the Agreement;
 - (d) "Record" means a "record" as defined in the *Interpretation Act*;
 - (e) "Sensitive Information" means
 - (i) Information that is "personal information" as defined in the *Freedom of Information and Protection of Privacy Act*, or
 - (ii) any other Information specified as "Sensitive Information" in Appendix G6, if attached; and
 - (f) "Services Worker" means an individual involved in providing the Services for or on behalf of the Contractor and, for greater certainty, may include
 - (i) the Contractor or a subcontractor if an individual, or
 - (ii) an employee or volunteer of the Contractor or of a subcontractor.

Schedule contains additional obligations

2. The obligations of the Contractor in this Schedule are in addition to any other obligation in the Agreement or the schedules attached to it relating to security including, without limitation, the obligations of the Contractor in the Privacy Protection Schedule, if attached.

Services Worker confidentiality agreements

3. The Contractor must not permit a Services Worker who is an employee or volunteer of the Contractor to have access to Sensitive Information unless the Services Worker has first entered into a confidentiality agreement with the Contractor to keep Sensitive Information confidential on substantially similar terms as those that apply to the Contractor under the Agreement.

Services Worker security screening

4. The Contractor may only permit a Services Worker who is an employee or a volunteer of the Contractor to have access to Sensitive Information or otherwise be involved in providing the Services if, after having subjected the Services Worker to the personnel security screening requirements set out in Appendix G1 and any additional requirements the Contractor may consider appropriate, the Contractor is satisfied that the Services Worker does not constitute an unreasonable security risk. The Contractor must create, obtain and

retain Records documenting the Contractor's compliance with the security screening requirements set out in Appendix G1 in accordance with the provisions of that appendix.

Services Worker activity logging

5. Subject to section 6, the Contractor must create and maintain detailed Records logging the activities of all Service Workers in relation to:
 - (a) their access to Sensitive Information; and
 - (b) other matters specified by the Province in writing for the purposes of this section.
6. The Records described in section 5 must be made and maintained in a manner, and contain information, specified in Appendix G2, if attached.

Facilities and Equipment protection and access control

7. The Contractor must create, maintain and follow a documented process to:
 - (a) protect Facilities and Equipment of the Contractor required by the Contractor to provide the Services from loss, damage or any other occurrence that may result in any of those Facilities and Equipment being unavailable when required to provide the Services; and
 - (b) limit access to Facilities and Equipment of the Contractor
 - (i) being used by the Contractor to provide the Services, or
 - (ii) that may be used by someone to access Information

to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons.
8. If the Province makes available to the Contractor any Facilities or Equipment of the Province for the use of the Contractor in providing the Services, the Contractor must comply with any policies and procedures provided to it by the Province on acceptable use, protection of, and access to, such Facilities or Equipment.

Sensitive Information access control

9. The Contractor must:
 - (a) create, maintain and follow a documented process for limiting access to Sensitive Information to those persons who are authorized to have that access and for the purposes for which they are authorized, which process must include measures to verify the identity of those persons; and
 - (b) comply with the information access control requirements set out in Appendix G3, if attached.

Integrity of Information

10. The Contractor must:
 - (a) create, maintain and follow a documented process for maintaining the integrity of Information while possessed or accessed by the Contractor; and
 - (b) comply with the information integrity requirements set out in Appendix G4, if attached.
11. For the purposes of section 10, maintaining the integrity of Information means that, except to the extent expressly authorized by the Agreement or approved in writing by the Province, the Information has:
 - (a) remained as complete as when it was acquired or accessed by the Contractor; and
 - (b) not been altered in any material respect.

Documentation of changes to processes

12. The Contractor must create and maintain detailed Records logging any changes it makes to the processes described in sections 7, 9 and 10.

Notice of security breaches

13. If Contractor becomes aware that:
 - (a) unauthorized access, collection, use, disclosure, alteration or disposal of Information or Records containing Information; or
 - (b) unauthorized access to Facilities or Equipment

has occurred or is likely to occur (whether or not related to a failure by the Contractor to comply with this Schedule or the Agreement), the Contractor must immediately notify the Province of the particulars of that occurrence or likely occurrence. If the Contractor provides a notification under this section other than in writing, that notification must be confirmed in writing to the Province as soon as it is reasonably practicable for the Contractor to do so.

Review of security breaches

14. If the Province decides to conduct a review of a matter described in section 13 (whether or not the matter came to the attention of the Province as a result of a notification under section 13), the Contractor must, on the request of the Province, participate in the review to the extent that it is reasonably practicable for the Contractor to do so.

Retention of Records

15. Unless the Agreement otherwise specifies, the Contractor must retain all Records in the Contractor's possession that contain Information until directed by the Province in writing to dispose of them or deliver them as specified in the direction.

Storage of Records

16. Until disposed of or delivered in accordance with section 15, the Contractor must store any Records in the Contractor's possession that contain Information in accordance with the provisions of Appendix G5, if attached.

Audit

17. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy:
 - (a) any Records in the possession of the Contractor containing Information; or
 - (b) any of the Contractor's Information management policies or processes (including the processes described in sections 7, 9 and 10 and the logs described in sections 5 and 12) relevant to the Contractor's compliance with this Schedule

and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

Termination of Agreement

18. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

19. In this Schedule, unless otherwise specified:
 - (a) references to sections are to sections of this Schedule; and
 - (b) references to appendices are to the appendices attached to this Schedule.
20. Any reference to the "Contractor" in this Schedule includes any subcontractor retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors comply with this Schedule.
21. The appendices attached to this Schedule are part of this Schedule.
22. If there is a conflict between a provision in an appendix attached to this Schedule and any other provision of this Schedule, the provision in the appendix is inoperative to the extent of the conflict unless the appendix states that it operates despite a conflicting provision of this Schedule.
23. If there is a conflict between:
 - (a) a provision of the Agreement, this Schedule or an appendix attached to this Schedule; and
 - (b) a documented process required by this Schedule to be created or maintained by the Contractorthe provision of the Agreement, Schedule or appendix will prevail to the extent of the conflict.
24. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.

SCHEDULE G – Appendix G1 – Security screening requirements

The personnel security screening requirements set out in this Appendix G1 are for the purpose of assisting the Contractor to determine whether or not a Services Worker constitutes an unreasonable security risk.

Verification of name, date of birth and address

1. The Contractor must verify the name, date of birth and current address of a Services Worker by viewing at least one piece of “primary identification” of the Services Worker and at least one piece of “secondary identification” of the Services Worker,* as described in the table following this section. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records. For a Services Worker from another province or jurisdiction, reasonably equivalent identification documents are acceptable.

Primary Identification	Secondary Identification
<p>Issued by ICBC:</p> <ul style="list-style-type: none">• B.C. driver’s licence or learner’s licence (must have photo)• B.C. Identification (BCID) card <p>Issued by provincial or territorial government:</p> <ul style="list-style-type: none">• Canadian birth certificate <p>Issued by Government of Canada:</p> <ul style="list-style-type: none">• Canadian Citizenship Card• Permanent Resident Card• Canadian Record of Landing/Canadian Immigration Identification Record	<ul style="list-style-type: none">• School ID card (student card)• Bank card (only if holder’s name is on card)• Credit card (only if holder’s name is on card)• Passport• Foreign birth certificate (a baptismal certificate is not acceptable)• Canadian or U.S. driver’s licence• Naturalization certificate• Canadian Forces identification• Police identification• Foreign Affairs Canada or consular identification• Vehicle registration (only if owner’s signature is shown)• Picture employee ID card• Firearms Acquisition Certificate• Social Insurance Card (only if has signature strip)• B.C. CareCard• Native Status Card• Parole Certificate ID• Correctional Service Conditional Release Card

*It is not necessary that each piece of identification viewed by the Contractor contains the name, date of birth and current address of the Services Worker. It is sufficient that, in combination, the identification viewed contains that information.

Verification of education and professional qualifications

2. The Contractor must verify, by reasonable means, any relevant education and professional qualifications of a Services Worker, obtain or create, as applicable, Records of all such verifications, and retain a copy of those Records.

Verification of employment history and reference checks

3. The Contractor must verify, by reasonable means, any relevant employment history of a Services Worker, which will generally consist of the Contractor requesting that a Services Worker provide employment references and the Contractor contacting those references. If a Services Worker has no relevant employment history, the Contractor must seek to verify the character or other relevant personal characteristics of the Services Worker by requesting the Services Worker to provide one or more personal references and contacting those references. The Contractor must obtain or create, as applicable, Records of all such verifications and retain a copy of those Records.

Security interview

4. The Contractor must allow the Province to conduct a security-focused interview with a Services Worker if the Province identifies a reasonable security concern and notifies the Contractor it wishes to do so.

Criminal history check

5. The Contractor must arrange for and retain documented results of a criminal history check on a Services Worker obtained through the Services Worker's local policing agency. Criminal history checks must be repeated as necessary to ensure that at all times the most recent criminal history check on a Services Worker was completed within the previous five years.

Credit check

6. The Contractor must arrange for and retain the documented results of a credit check on a Services Worker obtained through an authorized credit reporting agency. Credit checks must be repeated as necessary to ensure that at all times the most recent credit check on a Services Worker was completed within the previous five years.

Government Communications and Public Engagement

Statement of Work for Testing of Compliance with Advertising Services Agreement—Vizeum Canada Inc.

January 18, 2018

Submitted by:
KPMG LLP
Vancouver, BC
Erik Niemi, Partner

Background

Government Communication and Public Engagement (GCPE) is a central agency of the Province of British Columbia (the Government/Province) responsible for informing the public about government programs, services, policies and priorities through traditional communication practices and, increasingly, through direct engagement and online services.

GCPE has entered into a Agent of Record Agreement (Agreement) with its contractor Vizeum Canada Inc. (Vizeum or the Contractor) for media advertising placement services (i.e. television, radio, print and out-of-home). Under this Agreement, Vizeum is to process media placements and provide reporting on current and past media performance and placements. One of the Contractor's key responsibilities is to ensure "Media Performance" by media suppliers.

As part of the Government's contract management and expenditure control processes, GCPE would like to validate Vizeum's compliance with key requirements of the Agreement, and is requesting assistance from KPMG LLP (KPMG) to perform the required testing to support the Government's assessment of compliance.

Objectives and Scope

The objective of this engagement is to perform required testing procedures with respect to the Province's transactions with Vizeum for the period April 1, 2016 to March 31, 2017, and report the results of our testing procedures to GCPE to support its conclusion regarding compliance with the Agreement.

Scope

The scope of this engagement will include performing agreed-upon auditing/testing procedures related to Contractor Performance (based on the terms of the agreement between the Contractor and the Province) and Media Performance, and reporting the factual results of our testing procedures to GCPE. The specific test procedures to be performed will be determined during the initial steps of this engagement (see Approach section further below).

Contractor Performance includes requirements for the Contractor to:

- Review media suppliers for media performance
- Make timely payment to the media suppliers
- Charge fees and expenses in accordance with the Agreement, and billings to the Province should not include other expenses otherwise covered by the annual reimbursement for such expenses by the Province and which should be borne in part or in total by the Contractor

- Invoice the Province for media costs, and that such media costs are net of all discounts received
- Administer the Trust Account in compliance with the Agreement.

Media Performance includes requirements for the Contractor to:

- Maintain evidence of its verification of media performance (i.e. documentation, including tear sheets and other evidence)
- Maintain tear sheets and other evidence to support the invoices billed to the Province
- Account for and pass on to the Province any adjustments, including residual amounts due from media suppliers.

Scope Limitation

We will report on agreed-upon auditing/testing procedures performed and the factual results obtained from performing those procedures. We will not provide an audit opinion or negative assurance on the contractor's compliance with the Agreement, as such services are defined by the CPA Canada Handbook, or provide a conclusion on legal contract compliance.

Approach

The engagement approach will include the following activities:

- Review the Agreement to identify the key requirements of the Contractor.
- Develop agreed-upon procedures to test whether the Contractor is in compliance with the key requirements identified.
- Provide GCPE management with draft agreed-upon procedures and obtain feedback. The following example procedures are preliminary and may be further refined after our review of the current Agreement requirements:
 - Obtain a list of all payments to Vizeum, by government entity for the period April 1, 2016 to March 31, 2017.
 - Identify a selection of Contractor invoices received and paid by the Province for testing. The number of items to select will be agreed-upon based upon population size.
 - Request copies of supporting Contractor invoices from the Contractor for the selected items.
 - Attend the offices of the Contractor to inspect:
 - evidence such as tear sheets for each invoice selected to determine whether the Contractor reviewed media supplier for media performance;
 - evidence that media services billed by the Contractor agreed to services that were ordered by the Province;
 - the Contractor's invoices to the Province to identify the fees and expenses charged, and determine whether they are allowable under the Agreement;
 - payments made to suppliers and determine whether they were made within a timely manner based on requirements of the Agreement;
 - the Contractor's invoices from its media suppliers for any discounts, and trace to the Contractor's invoice to the Province to determine whether the discounts were passed on to the Province, if applicable per the Agreement;
 - bank statements to determine whether any remaining balance in the Trust Account is paid to the Province at the end of each fiscal year or upon termination of the agreement.

- Finalize the agreed-upon procedures to be performed.
- Provide regular updates to GCPE on status of fieldwork and any issues noted.
- Discuss preliminary observations with management of the Contractor to validate findings.
- Provide a draft agreed-upon procedures report to GCPE, summarizing the details of the procedures performed and results obtained for management feedback.
- Issue a final agreed-upon procedures report to GCPE.

— Vizeum is expected to be available to provide assistance with respect to the retrieval of government documentation for inspection and the extraction of government documentation for selection and inspection purposes.

Deliverables

Our deliverable will be an agreed-upon procedures report to GCPE outlining the agreed-upon procedures performed and the results of performing those procedures. The work will be conducted and the report will be issued based upon guidance set out in the CPA Canada Handbook as relevant to agreed-upon procedures reports. Our deliverables will include a draft report for management feedback and a final report.

Distribution and Use of Deliverables and Other Matters

Our deliverables will be solely for internal use by GCPE in order to help support management's assessment of contractor compliance with its advertising service agreements.

KPMG acknowledges the GCPE may be required to release copies of our deliverables in accordance with Freedom of Information (FOI) legislation, with the understanding that KPMG's work is not intended for use by, and therefore cannot be relied upon by, any third parties (i.e. outside GCPE) that may obtain copies of our deliverables, whether through FOI or by other means. Copies of our deliverables should be distributed in their entirety, and should not be quoted in other literature or reports.

Our work will be advisory in nature and will not constitute an audit or review engagement as such terms are defined in CPA Canada literature. Accordingly, we will not express an audit opinion, conclusion, or other form of attestation or assurance regarding contract compliance by Vizeum. Our deliverables will present our observations as of the date we perform our work. KPMG will not be obligated to update its deliverables or findings as a result of any new information or events subsequent to completion of our work; however, we reserve the right to update our deliverables if appropriate.

Timing

Phase	Milestone / Deliverables	Tentative Timing (2018)
Scoping	Statement of Work approval	Jan 22
Planning	Review agreements and develop agreed-upon procedures	Jan 26
	Finalization of agreed-upon procedures	Feb 2
Fieldwork	Commencement of fieldwork	Feb 19
	Completion of fieldwork	Mar 9

Phase	Milestone / Deliverables	Tentative Timing (2018)
Reporting	Issue of draft report	Mar 16
	Provision of final report	Mar 23

In the event we identify any significant unexpected issues or delays in meeting this timeline, we will promptly communicate such concerns to the project manager and GCPE management.

Staffing

Our team will be led by **Erik Niemi** s.22
s.22

Jenny Yue-Detterer s.22
s.22

Shaun Wilson s.22
s.22

We may involve additional KPMG professionals if required to assist with the work in order to deliver quality results on a timely basis. Such additional personnel are chosen based on qualifications and experience and availability based on the requirements and deadlines associated with this project.

Professional resumes for our team members are available upon request.

Fee Quote

Based upon our understanding of the objectives, scope and overall requirements for this engagement, we estimate we will require approximately 110 hours to complete this engagement, resulting in a fee of **\$24,500** including expenses, plus GST. Our fees will be billed monthly as the work progresses.

This is a fixed fee quote and assumes no unanticipated issues and that required assistance and cooperation is provided on a timely basis. In addition to the proposed scope and approach, our time and fee estimates assume no significant delays in the project schedule and assume timely assistance from GCPE and Vizeum as required. In the event we determine that significantly more (i.e. > 10%) than 110 hours is required to complete the work, we will inform you promptly, discuss options and request your direction on how to proceed.

Independence

Please note that KPMG globally (outside of BC) provides audit, tax and advisory services to affiliates of Vizeum Canada Inc. The assigned KPMG team members on this engagement do not work in the same offices as the other KPMG teams providing professional services to Vizeum affiliates.

As an additional safeguard against any potential or perceived conflicts of interest, we will implement an ethical divider to prevent any communication or sharing of information between the local KPMG engagement team assigned to the engagement outlined herein, and other KPMG personnel who may be providing services to Vizeum affiliates. This will include isolating access to our local engagement files and documentation related to this engagement.

By accepting this Statement of Work, GCPE acknowledges and accepts these conflict of interest safeguards as adequate for its purposes.

Contracting

It is understood the contract for this engagement will be based on the BC Government's standard General Services Agreement (GSA) template for Financial Review and Assurance Services (FRAS) contracts.

This engagement is subject to satisfactory completion of KPMG's standard engagement acceptance procedures and execution of a contract with mutually acceptable terms and conditions. Our internal acceptance procedures are in progress and have not been fully completed yet. We currently do not anticipate any issues with this process, which we are required to complete before we sign the contract and commence work.

Please do not hesitate to contact me if we can provide any additional information or clarification.

Yours faithfully,

On behalf of KPMG LLP

Erik Niemi
Partner
Risk Consulting
National Leader, System Assurance & SOC Services
s.22 | erniemi@kpmg.ca

DIRECT AWARD JUSTIFICATION

FORM USAGE AND ROUTING:

This form must be completed by the contract manager to clearly document the justification for direct awarding a service contract and ensures compliance with government contract policy. The original completed and signed form must be retained in the program contract file.

CONTRACT INFORMATION

Ministry: Ministry of Finance

Program: Marketing and Advertising

Contract Manager Name and Phone Kathryn LeSueur

778 698-8674

Legal Contractor Name: KPMG LLP

Contract Value:

\$24,500

Term: Jan 29, 2018 - Mar 31, 201

STOB: 6030

Contract Type ☒ New ☐ Multi-year ☐ Renewal

Commonly Used Contract STOBs:

6001/02 - Operational - Fees/expenses for contracts that provide for a direct provision of goods or services in the delivery of government programs (e.g., project mgmt).
6003/04 - Regulatory - Fees/expenses for contracts that provide for a direct provision of goods or services required by statute or regulation.
6020/21 - Education and Training - Fees/expenses for contracts that deliver training to government employees.

6101/02 - Advisory - Fees/expenses for contracts with the provision of advisory services to the ministry (e.g., management consulting).
6302 - Data Operations Non-WTS - Fees/expenses for contracts that provide for a direct provision of IT related goods/services in the delivery of government programs (e.g., data processing, operating lease rentals).
6309/10 - Data Consulting Non-WTS - Fees/expenses for consulting contracts related to information systems.

RATIONALE FOR ALL DIRECT AWARD CONTRACTS

1. Describe the services required and provide an explanation of why you need to acquire these services.
Testing of Compliance with Advertising Services Agreement - Vizeum Canada Inc.

This supplier has completed compliance reviews for GCPE in the past, they are familiar with the file and they were available to meet the tight deadlines in place.

2. Under which Core Policy and Procedures Manual exception is this direct award request being made (see section 6.3.3)?

☐ Public Sector Organization

☐ Sole Source

☐ Sole Source - Notice of Intent

☐ Security, Order, etc.

☐ Emergency

☐ Confidentiality

☐ No Exceptions Apply - \$25,000 to \$75,000 posted on BC Bid or three quotes obtained

☒ No Exceptions Apply - Less than \$25,000 neither cost effective nor reasonable

3. Explain the reason why this contract meets the criteria of the above selection (i.e. how would a competitive process compromise government confidentiality, cause economic disaster or be contrary to the public interest)?

This contract was awarded in accordance with the pre-award and solicitation criteria included in the Core Policy Manual section 6.3.2c.6.

A competitive process is not considered reasonable nor cost effective. Also refer to #1 above.

4. Will this purchase obligate government to this vendor for future purchases (e.g., maintenance, licensing or continuing need)? If yes, provide details.

No

5. Were alternative vendors evaluated? If yes, who were they and why were they unacceptable? If no, why were alternatives not evaluated?

Refer to #3 above

ADDITIONAL RATIONALE FOR SOLE SOURCE CONTRACTS ONLY

1. Why is the requested vendor the only one that can meet your requirements? Provide specific, quantifiable factors and/or qualifications and explain why they are necessary.

2. What other suppliers did you consider before arriving at the conclusion that the sole source direct award criteria was met and the requested vendor was the only one that met your needs.

APPROVALS

CONTRACT MANAGER

Kathryn LeSueur

Name (Please Print)

[Signature] Feb. 1 / 2018

Signature & Date

EXPENSE AUTHORITY

[Signature] Feb 2 / 18

Name (Please Print)

Signature & Date