

**REQUEST FOR PROPOSAL**  
**7475-07-0004**

**Developing a policy rationale for and exploring the Government of Canada's  
role in financial capability initiatives**

**INTRODUCTION**

The following document establishes the Terms of Reference for the development of a policy rationale and policy instruments in support of the Government of Canada's (GoC) potential role in initiatives designed to foster a financial capability culture in Canada. The Canada Education Savings Program (CESP) of Human Resources and Social Development Canada (HRSDC) expects that potential contractors will use this document to develop their contract proposals. Those proposals may include suggested improvements to the approach set out in this document.

**PROJECT OBJECTIVES**

The objectives of the project are to:

1. identify the need for and opportunities for federal government involvement in public policy initiatives in the area of financial capability
2. provide a rationale for federal government involvement in the policy area of financial capability;
3. scan and assess relevant national and international policies and initiatives in the area of financial capability which can inform the development of or serve as a model for federal policy programming;
4. propose policy instruments for a financial capability federal public policy programming agenda.
5. identify key stakeholders (i.e. federal, provincial and/or municipal governments, industry, the non-profit sector, etc.), and their potential role in the development and implementation of a Canadian financial capability strategy.

**BACKGROUND**

Financial capability is a new, complex policy area that touches many established fields. Over the past decade, developments in financial markets along with demographic, economic and policy changes have made financial capability, or the lack of it, a growing concern for both governments and individuals in industrialized countries. As the Organization for Economic Cooperation and Development noted in *Improving Financial Literacy: Analysis of Issues and Policies*,

Financial markets are becoming more sophisticated and new products are continuously offered. Consumers now have greater access to a variety of credit and savings instruments provided by a range of entities from on-line banks and

brokerage firms to community-based groups. As a result of changes in pension arrangements, an increasing number of workers will be assuming more responsibility for saving for their retirement. With the increase in life expectancy, individuals will need to ensure that they have adequate savings for the longer period they can expect to spend in retirement.<sup>1</sup>

In Canada, these changes are particularly worrying given certain trends in the financial planning marketplace, such as rising levels of personal debt, reduced rates of saving and a growing reliance by certain segments of the population on alternative financial services.

As well, the growing interest in and experimentation with new delivery approaches for government-provided benefits, such as policies focused on asset building and shared delivery partnerships with financial institutions, now require a more financially literate consumer.

These developments have important consequences for citizens and for the federal government - all Canadians need the ability to understand personal finances in order to make effective financial choices, improve their life outcomes and to recognize when help is required. Like literacy and numeracy, financial capability has become a life skill that is fundamentally required for basic functioning in Canadian society. While financial capability is built upon basic skills such as numeracy and literacy, it also requires additional unique competencies.

While increasingly a subject of study and experimentation in Canada and abroad, the gaps in research and knowledge relating to financial capability remain vast. Key questions include:

- What, precisely, defines financial capability?
- What is the current role of all levels of government in Canada in promoting financial capability?
- What programs and initiatives delivered by the municipal, provincial, federal and territorial governments implicitly or explicitly rely on or build upon the financial capability of Canadians? Which programs and policies would be improved by enhanced financial capability?
- What initiatives are being undertaken in other states to improve the financial capability of their citizens? How are these initiatives being evaluated? What are their strengths and weaknesses?
- What should the role of government be in promoting good financial capability?
- What is the range of policy instruments needed to promote and support the development of good financial capability in Canada? What is the best mix of policy instruments to achieve this?

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<sup>1</sup> Improving Financial Literacy: Analysis of Issues and Policies. Organisation for Economic Co-operation and Development (OECD). 2005. Page 10.

Answers to these questions are needed to feed policy development and thinking in the area of financial capability.

## **SCOPE OF WORK**

The Contractor is expected to:

- For the purpose of this project, adopt the definition of “financial capability” proposed by the Financial Services Authority in the United Kingdom, as set out in the *Adult Financial Capability Framework*, and apply it to the Canadian context;
- Review the full scope of current federal government programs for aspects related to or involving financial capability;
- Create an inventory outlining and describing these findings, including a typology of such programs;
- Identify gaps in current federal government programs and policies that could benefit from a financial capability lens;
- Scan Canadian and international literature on financial capability initiatives;
- Provide consideration of the Canadian policy environment, including the split of powers and responsibilities between the federal, provincial and territorial governments, and the roles and activities of industry and the not-for-profit sector;
- Produce a rationale for federal government involvement in the policy area of financial capability;
- Outline the legitimate scope of federal government intervention in the area of financial capability;
- Identify key stakeholders and note their potential role in a Canadian financial capability strategy;
- Outline and evaluate all possible policy instruments that could be applied by the federal government in building and supporting the financial capability of Canadians;
- Recommend the ideal mix of policy instruments for the purpose of federal government engagement in the area of financial capability.

The review and analysis will focus on the current body of knowledge concerning financial capability in Canada, as well as international trends and activities.

The findings will form the foundation for determining the appropriate role of HRSDC and the Government of Canada in promoting financial capability in Canada. They will assist HRSDC in identifying the ideal mix of policy instruments for this area, and in developing a framework and action plan for consideration.

The successful bidder is expected to independently complete all necessary analysis, research scanning and report writing.

## **DELIVERABLES**

As part of the contractual agreement, the contractor will deliver a final report containing:

- An executive summary
- An inventory of federal programs related to financial capability;
- A rationale for the involvement of the federal government in the area of financial capability;
- A review of stakeholders and their current and potential role in a financial capability strategy;
- An exploration of various policy instruments, with reference to domestic and international examples, and their potential to enhance the financial capability of Canadians and,
- Recommendations for Government of Canada policy interventions.

This final report will be submitted in both hard copy and electronic form, in either English or French.

The contractor may be required to create and present a briefing deck outlining relevant findings and recommendations.

Monthly progress reports must be provided for the duration of the project.

Language Requirements: The report must be produced in either French or English.

## **CONSTRAINTS**

Any bidder who plans to use sub-contractors must identify the work that may be sub-contracted on their proposal, as well as provide the names, qualifications and other pertinent information about the sub-contractor in the same manner as information submitted about its own employees. The qualifications of sub-contractors will be used in the selection of the winning bid. The CESP must be consulted and must approve any changes in the sub-contractors.

## **TERMS AND CONDITIONS**

All submitted proposals will become the property of the CESP of HRSDC and will not be returned to their originators.

The successful bidder must agree to sign a standard Government of Canada contract for services of this type. Terms of that standard contract are not negotiable and must be accepted as stated.

The Minister has determined that any intellectual property arising from the performance of the Work under the Contract will vest in Canada, on the following grounds: the main

purpose of the Contract, or of the deliverables contracted for, is to generate knowledge and information for public dissemination.

For additional information, please visit [www.sdc.gc.ca/en/cs/fas/as/contracting/toc.shtml](http://www.sdc.gc.ca/en/cs/fas/as/contracting/toc.shtml).

**Copyright and Intellectual Property:** HRSDC reserves the right to publish the document (in paper format and/or on the internet) as part of a series of papers commissioned.

## **SUITABILITY OF SERVICES**

If some team members are replaced after the contract is signed, the contractor must advise the project authority immediately in writing, and provide the names and a CV for the proposed replacements to justify their competence, failing which the contract may be terminated.

## **COMMUNICATIONS**

Prospective bidders may direct questions about this RFP to the Contracting Authority. Questions must be posed in writing and all questions and answers will be shared with all known prospective bidders. Questions may be directed to:

Mimi Rabouin  
Contracting Authority  
Service Canada  
Phone: (819) 934-5587  
Fax : (819) 997-0442  
Email: [mimi.rabouin@servicecanada.gc.ca](mailto:mimi.rabouin@servicecanada.gc.ca)

## **PERIOD OF CONTRACT**

The Contractor can commence work upon signature of a contract, and the final deliverables under this project must be completed no later than Friday, February 15, 2008. The first draft project report must be submitted by Tuesday, January 1, 2008; a schedule for submission of all further report drafts will be mutually agreed upon by the Contractors and the CESP following the signing of the contract.

## **BUDGET**

The cost of the project shall not exceed the available budget of \$50,000 including applicable taxes. Bidders must submit a detailed statement of their estimated costs associated with the submission, including the per diem rate of all involved researchers.

## **SUBMISSION OF PROPOSAL**

PROPOSALS ARE TO BE SUBMITTED UTILISING A **TWO ENVELOPE SYSTEM**

### **ENVELOPE 1 – TECHNICAL PROPOSAL**

Bidders must submit **three (3)** copies of the Technical Proposal

- a) No financial information is to be included in envelope 1.

### **ENVELOPE 2 – FINANCIAL PROPOSAL**

Bidders must submit **one (1)** copies of the Financial Proposal

- a) No **technical information** is to be included in **envelope 2**.

NOTE: Both Envelopes must be presented and clearly marked with the following:

- the supplier's name and address;
- the bid solicitation number;

PROPOSALS MUST BE RECEIVED AT THE FOLLOWING ADDRESS:

Service Canada  
Mail and Distribution Services (953-0675)  
Service Canada Bid Receiving Unit  
140 Promenade du Portage  
Place du Portage, Phase IV, Level 01  
Gatineau, Québec  
K1A 0J9

Proposals will be accepted until November 05, 2007 at 16:00 EDT

Supplementary information will not be accepted after the deadline, unless requested by the contracting authority to clarify a statement made in the proposal.

## **PAYMENT**

Payment will be made 30 days after receipt of an invoice, upon acceptance of each deliverable by the Project Authority and following a review and edit of submitted documents.

Two-thirds of the payment will be issued when the successful bidder has provided a satisfactory first draft project report of the findings to the CESP (no later than the agreed-upon deadline); the final third will be issued upon satisfactory completion of the final report (to be received no later than agreed-upon final deadline).

## **SELECTION CRITERIA**

### **A) MANDATORY REQUIREMENTS**

- Each team member must have at least 3 years experience in related economic or sociological research and analysis.
- The successful bidding team as a whole must have the following qualifications:
  - Demonstrated knowledge of Canadian and/or international literature in the area of financial literacy and/or financial capability; and
  - Experience in analyzing economic or sociological issues for public policy; and
  - Experience in analyzing public policy instruments, specifically those designed to assist individuals with improving their financial wellbeing or financial capability.
- A detailed statement of the work planned for carrying out this project must be submitted, including the identification of specific outputs and a schedule for their completion.
- An outline of the level of work allocated to each team member and the estimated time spent by them on each component of the project must be included.
- A Curriculum Vitae (CV) must be submitted for each team member involved in the project.

### **B) RATED REQUIREMENTS**

Proposals will be assessed and awarded points to a maximum of 100. The relative importance of certain criteria is reflected in the following selection matrix.

<b>Criteria</b>	<b>Total Points</b>	<b>Min Pts Required</b>
<b>TECHNICAL</b>		
A) Demonstrated understanding of the project requirements and objectives <ul style="list-style-type: none"> <li>• The bidder will have to provide enough detail about each team member to demonstrate an understanding of the work and propose how the research will be undertaken in relation to previous research.</li> </ul>	25	
B) Proposed work feasibility	25	

<ul style="list-style-type: none"> <li>The bidder will have to provide a feasible plan of the analysis that will be undertaken to answer the research questions, including preliminary identification of key literature relevant to domestic and international financial capability initiatives and to public policy instrument choice.</li> </ul>		
<p>C) Adequacy of proposed work plan and schedule</p> <ul style="list-style-type: none"> <li>Proposals will be rated on the adequacy of the level of work allocated to each individual and the schedule upon which they have determined major components of the project will be completed. The proposal will outline dates for completion of major components of the project.</li> </ul>	15	
<p>D) Innovative ideas and additional benefits</p> <ul style="list-style-type: none"> <li>The bidder is encouraged to include the ideas of team members about the research that will provide value for money.</li> </ul>	10	
<b>TOTAL TECHNICAL</b>	<b>75</b>	<b>52.5</b>
<b>CHARACTERISTICS OF THE CONTRACTOR</b>		
<p>A) Relevant research experience</p> <ul style="list-style-type: none"> <li>Each team member will have to provide evidence of expertise in the analysis (including familiarity with any pertinent data sets) and synthesis of information particularly as it pertains to the subject area.</li> <li>Each team member will have to provide details of relevant experience and competencies that clearly demonstrate their ability to complete the project requirements in terms of research quality and time.</li> </ul>	25	
<b>TOTAL CONTRACTOR CHARACTERISTICS</b>	<b>25</b>	<b>17.5</b>
Total	100	70

### C) BASIS OF SELECTION

Proposals will be evaluated in accordance with the evaluation criteria contained in “Evaluation Criteria”. Only those proposals which are compliant with all of the Mandatory Requirements and then achieve a score of **seventy percent (70%)** or better in each of the technical and contractor characteristics sections of the point rated evaluation criteria will be considered for contract award.

The compliant bidder with the highest combined rating technical merit (**70%**) and price (**30%**) shall be selected as the preferred supplier to implement the Project

A further breakdown of how points will be awarded is presented in Appendix A.

**APPENDIX A**  
**Selection Criteria Points**

**TECHNICAL PROPOSAL**

**a) Demonstrated understanding of the project requirements & objectives  
(Maximum 25 points)**

Not addressed	(0 pts)
Fair demonstration of understanding	(7-12 pts)
Good demonstration of understanding	(13-18 pts)
Very good demonstration of understanding	(19-21 pts)
Excellent demonstration of understanding	(22-25 pts)

**Subjective Rating Criteria for Requirement**

- **Not addressed**: information is missing
- **Fair demonstration of understanding**: Basic understanding of project requirements and objectives. Some information presented contains a significant error (i.e. inaccurate, outdated and/or irrelevant).
- **Good demonstration of understanding**: Satisfactory understanding of project requirements and objectives. The majority of the information is accurate and current and only a small amount of information contains an error. Almost all of the information provided is relevant.
- **Very good demonstration of understanding**: A good understanding of the project requirements and objectives is demonstrated. All of the information is accurate and current and contains no significant errors. A small amount of irrelevant information is included in the proposal.
- **Excellent demonstration of understanding**: Sophisticated, knowledgeable, and insightful understanding of project requirements and objectives. All information presented is accurate, current, and relevant.

**b) Proposed work feasibility  
(Maximum 25 points)**

Not addressed	(0 pts)
Fair	(7-12 pts)
Good	(13-18 pts)
Very Good	(19-21 pts)
Excellent	(22-25 pts)

**Subjective Rating Criteria for Feasibility**

- **Not addressed**: information is missing
- **Fair**: Limited understanding of analysis required. Some information presented contains a significant error (i.e., inaccurate, outdated, and/or irrelevant).

- **Good:** Satisfactory understanding of analysis required for each research questions. None of the information presented contains a significant error (i.e., inaccurate, outdated, and/or irrelevant).
- **Very Good:** Comprehensive understanding of analysis demands demonstrated for each research questions. The majority of information is accurate and current and does not contain significant errors.
- **Excellent:** Sophisticated understanding of analysis required for each research questions. The plan provides a thorough and in depth description of how to meet the objectives. All information presented is accurate, current, and relevant.

**c) Adequacy of proposed work plan and schedule  
(Maximum 15 points)**

Not addressed	(0 pts)
Fair	(6-8 pts)
Good	(9-11 pts)
Very Good	(12-13 pts)
Excellent	(14-15 pts)

**Subjective Rating Criteria for Work plan and Schedule**

- **Not addressed:** information is missing.
- **Fair:** lacking on most minor areas and/or at least one major deficiency.
- **Good:** missing some minor areas and/or at least one major deficiency.
- **Very Good:** missing some minor areas and no major deficiencies.
- **Excellent:** zero minor deficiencies or omissions and no major deficiencies.

**d) Innovative ideas and additional benefits:  
(maximum 10 points):**

Not addressed	(0 pts)
Fair	(3-4 pt)
Good	(5-6 pts)
Very Good	(7-8 pts)
Excellent	(9-10 pts)

**Subjective Rating Criteria for Ideas and Benefits**

- **Not addressed:** information is missing
- **Fair:** additional benefit is unclear or not defined well; no innovative idea; no extra value for money
- **Good:** additional benefit is clear; no innovative idea; extra value for money not evident
- **Very Good:** additional benefit clearly stated; innovative idea presented but needs further explanation or elaboration; some extra value for money

- **Excellent:** additional benefit clearly stated; innovative idea is clearly presented and extra value for money case is well made

## **CHARACTERISTICS OF THE CONTRACTOR**

### **(a) Relevant research experience**

#### **(Maximum 25 points)**

Relevant experience and proven capability as evidenced by similar and/or related work performed by all team members. Assessment is based on the quality of examples provided.

Not addressed	(0 pts)
Fair	(7-12 pts)
Good	(13-18 pts)
Very Good	(19-21 pts)
Excellent	(22-25 pts)

#### **Subjective Rating Criteria for Experience**

- **Not addressed:** information is missing
- **Fair:** body of research is mostly irrelevant or unrelated to the topic
- **Good:** body of research is important and has a few irrelevant or unrelated pieces
- **Very Good:** Body of research is important and has no irrelevant or unrelated pieces of work, but most work is indirectly related to research topic
- **Excellent:** Body of research is extensive and has no irrelevant or unrelated pieces of work. All work is directly relevant to the research project