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Statement of Work for Management Consulting Services

This Statement of Work no. **OPCD-17- made in duplicate and effective.**

PricewaterhouseCoopers LLP (the "Vendor") and Her Majesty the Queen in right of Ontario as represented by the President of Treasury Board (the "Client") enter into this Statement of Work pursuant to the Master Agreement for Management Consulting Services made as of June 16, 2014 between the Vendor and Her Majesty the Queen in Right of Ontario as represented by the Minister of Government and Consumer Services (such Master Agreement, as from time to time amended, is referred to as the "Master Agreement").

In consideration of their respective agreements set out below, the parties agree as follows:

1. *Structure* - The terms and conditions of the Master Agreement are hereby incorporated by reference in this Statement of Work to the same effect as if fully set out in this Statement of Work. This document and the Master Agreement together comprise a separate Statement of Work between the Vendor and the Client. All capitalized terms used in this Statement of Work without definition have the meanings ascribed to them in the Master Agreement. In the event of any conflict or inconsistency between any term or provision of this Statement of Work and any term or provision of the Master Agreement, the terms and provisions of the Master Agreement shall govern.

2. *Statement of Work* - The Vendor agrees to provide to the Client, and the Client agrees to acquire from the Vendor, the Services and Deliverables described in this Statement of Work upon and subject to the terms of this Statement of Work.

3. *Maximum Price:* C$ 65,000.00, not including HST. The Maximum Price reflects: (1) the Fixed Price of $40,000.00 (which includes a total of 25 consultant work days); plus (2) the amount for any consultant work days exceeding 25, which additional consultant work days will be charged on a Per Diem basis at a rate of $1,600 per day per consultant

4. *Project Start Date:* December 5, 2016

5. *Project End Date:* July 30, 2017 *Scope of Services and Deliverables* - The Services and Deliverables to be provided by the Vendor under this Statement of Work include the following:

   Background

   During the 2015/16 Public Accounts audit, the Auditor General raised questions regarding the Province's historical accounting treatment for pension assets for jointly sponsored pension plans. The Office of the Provincial Controller and the Auditor General did not reach agreement on the appropriate interpretation of public sector accounting standards (PSAS) for purposes of the 2015/16 audit. A Panel has been put in place to assess the interpretation of PSAS standards in relation to the Province's joint defined benefit plans. The results of the Panel are expected to be received by the end of the calendar year and will be considered as part of the upcoming Budget process.

   The Panel will need to consider various aspects of the pension agreements and relationships, as well as applicable references of PSAS in conducting its assessment. In addition, the Panel may require interviews or supplementary information to further their understanding of the issue. Given the complexity of the undertaking and the short time frame over which the Panel is expected to complete its analysis, the services of a consultant have been requested by the Chair of the Panel. The Chair has requested that the consultant should be well versed in the applicable PSAS standards and knowledgeable on relevant aspects of the Ontario Teachers' Pension Plan to most effectively support the Panel in documenting its position and recommendations.

Description of Services and Deliverables

Reporting directly to the Pension Asset Expert Advisory Panel ("Panel"), the consultant(s) assigned to this engagement will provide support to the Panel through assistance in synthesizing and documenting the Panel's discussion/position on the pension asset accounting issue raised during the 2015/16 Public Accounts, including assistance in documenting the Panel's recommendations. The engagement may also include working with TBS Communications in providing input to the development of a summary document which would be made publicly available. The individual(s) may also be requested to support the Panel in discussions with other parties, including external stakeholders in documenting input as part of the Panel's process.

The performance of the Services does not constitute an engagement to provide audit, compilation, review or attest services in accordance with professional standards issued by the Chartered Professional Accountants of Canada ("CPA Canada") and, therefore, PwC will not express an opinion or any other form of assurance with respect to any matters. All recommendations and final conclusions reached in connection with this engagement will be the responsibility of the Panel. PwC will not perform any management functions, make management decisions, or perform in a capacity equivalent to that of an employee of the Client or member of the Panel.

Contingency Plan – The Vendor's proposed contingency plan in the case that unforeseen circumstances arise during the engagement timeline is as follows:

- Should scheduling issues arise, the Vendor will work with the Client to coordinate alternate solutions (calls, status updates, etc.).
- In the case that resources change on the part of either the Vendor or the Client (and/or relevant stakeholders)
    - In the former case, the Vendor will work with the Client to identify a suitable replacement in an expedited manner
    - In the latter case, the Vendor will escalate the issue to the Client representative in an attempt to identify a suitable Client/stakeholder replacement.

The Vendor will work with the Panel and potentially other stakeholders to facilitate the Panel's work over the planned period ending July 30, 2017.

Fixed Price and Additional Work Days (Per Diem Rate)
The Fixed Price identified in Section 3 (Maximum Price) above includes a total of 25 consultant work days. The Vendor shall notify the Client when the number of consultant working days exceeds 20 consultant days. In the event the Client or the Panel requests more than 25 consultant work days, the Client shall notify the Vendor and any additional work days requested will be charged on a Per Diem Rate basis at a rate of $1,600.00 per work day per consultant.

6. *Ownership and Licences* - **Attachment E** of the Master Agreement forms a part of this Statement of Work.

Without limiting the generality of the foregoing, everything produced or prepared by the Vendor under this Statement of Work for or on behalf of the Panel or the Client is OPS Confidential Information and shall be owned by the Client. The Vendor agrees that it shall not prohibit, prevent or delay the use (including any modification, translation or reproduction) or disclosure of anything prepared by the Vendor under this Statement of Work for or on behalf of the Panel or the Client, including the requirement to provide advance notice or to pay additional fees. For certainty, the Vendor agrees that everything produced or prepared by the Vendor may be made available to third parties (including to the Auditor General of Ontario, other advisors of the Panel or Client, or to the public). The Client and the Panel may, at its option, but is not required to, refer to the Vendor and any of the Vendor's personnel when making anything produced or prepared by the Vendor available to any third party. References to the Vendor and any of the Vendor's personnel will appropriately reflect the nature of the services provided by the Vendor and any of the Vendor's personnel pursuant to Section 5 above.

7. *Communications and Reporting* - The structure of the Vendor's working relationship with the Panel is vital to the success of their engagement. The Vendor's main point of contact will be Michael Hawtin who is the engagement leader. Lucy Durocher will be the individual consultant assigned to assist the Panel. Lucy Durocher may be assisted by other of the Vendor's staff throughout the engagement.

8. *Work Location* - All meetings will be within Greater Toronto Area.

9. *Working Hours* – The Client's normal working hours are 7.25 hours per day, between 8:15 a.m. to 4:30 p.m. Monday to Friday inclusive.

   If required by the Client, the Vendor must provide Services outside of the normal working hours and/or on non-Business days. The Vendor will not be entitled to charge more than the Fixed Price or Per Diem Rate

10. *Administrative Services and Supplies* – All administrative services and supplies used by the Vendor to complete the Services will be provided to the Client at no additional charge.

11. *Billing and Payment Process* –

   "The Vendor shall provide billing statements periodically through the term of the assignment, which billing statements should include a detailed breakdown of the consultant days worked during the period covered by the billing statement with a short description of the nature of the work performed.

   In the event the Client requests additional consultant working days exceeding the number included in the Fixed Price, the Vendor shall provide the Client with timely billing statements that include a detailed breakdown of the additional consultant work days worked, as communicated by the Vendor to the Director of Accounting Policy and Financial Reporting, Office of the Provincial Controller Division.

   Billing statements should include all billing information as set out in the Master Agreement.

12. *Names and Roles of Vendor's Personnel:*

Individual's Legal Name	Individual's Role and Experience Level	Service Category
Michael Hawtin	Project Manager/Lead, Level 2	
Lucy Durocher	Strategic Advisor, Level 2	
Mandy Tam	Strategic Advisor, Level 1	

13. **Billing Statements** – Billing statements for payment of any charges under this Statement of Work shall be sent to:

Client:	Treasury Board Secretariat, Office of the Provincial Controller Division
Branch:	Accounting Policy and Financial Reporting
Representative:	Nadine Petsche
Title:	Director, Accounting Policy and Financial Reporting
Phone number:	416-325-8027
Email:	Nadine.petsche@ontario.ca

14. *Knowledge Transfer:* The Vendor will work closely with the Client to ensure knowledge transfer to the Clients designated staff, and as necessary with the Auditor General.

15. *Destruction of Information* - The Vendor shall destroy all information contained on any media that was provided by the Client or at the direction of the Client, if requested to do so by the Client, except as required to be retained in accordance with professional standards requirements. The Client may choose to witness this destruction. The Vendor shall provide a certificate of destruction to the Client, if requested to do so by the Client.

16. *Indemnity* – The Client agrees to indemnify and hold the Vendor and their personnel harmless from and against any and all third party claims, losses, liabilities and damages arising from or relating to the services or deliverables under this Agreement, except to the extent finally determined to have resulted from the Vendor's gross negligence or intentional misconduct relating to such services and/or deliverables. Additionally, the indemnity set out in the Master Agreement applies to this Assignment.

17. *Client Representative and Receipt of Notices*

Client's address for receipt of notices:	**Treasury Board Secretariat**
Client Representative:	**Nadine Petsche**
Telephone number:	**416-325-8027**
E-mail:	**Nadine.petsche@ontario.ca**

18. *Vendor Representative and Receipt of Notices*

Vendor's address for receipt of notices:	**PricewaterhouseCoopers LLP.**
Vendor Representative:	**Michael Hawtin**
Telephone number:	**416 815 5003**
E-mail:	**Michael.hawtin@ca.pwc.com**

IN WITNESS WHEREOF the parties hereto have executed this Statement of Work as of the date first above written.

Her Majesty the Queen in right of Ontario, as represented by the President of Treasury Board

Per:

Signature: N. Petsche

Name: Nadine Petsche

Title: Director, Accounting Policy + Financial Reporting

Pursuant to delegated authority.

PRICEWATERHOUSECOOPERS LLP

Per:

Signature: MH

Name: Michael Hawkin

Title: Partner

I have the authority to bind the Vendor.