



cferfSM

canadian financial executives
research foundation

fondation de recherche des dirigeants financiers canadiens

First Annual Request for Proposals For Research Papers 2007/2008

**A Grant Program to
Fund Research Projects
Exploring Issues of Importance
to the Canadian Financial Industry
by the Canadian Academic Community and their Partners**

February 12, 2007

20 Adelaide Street East, Suite 200
Toronto, Ontario M5C 2T6
Tel: (416) 366-3007 X 5107
Fax: (416) 366-3008
Email: hbell@feicanada.org
Web: www.feicanada.org

Executive Summary

The Canadian Financial Executives Research Foundation (CFERF) is pleased to issue its first annual, Request for Proposals (RFP) for Research Papers exploring issues of importance to the Canadian Financial Industry. Up to 2 (two), \$10,000 grants will be awarded for the 2007/2008 fiscal year. The RFP is ordinarily open to tenured and non tenured faculty (i.e. “academic researchers”) employed at Canadian universities or colleges. Projects undertaken by Canadian researchers as the lead consultants and industry professionals (e.g. private consulting firms, independent researchers, etc.) will also be considered.

CFERF

CFERF was established by Financial Executives International, Canada (FEIC) to (a) promote and disseminate Canadian specific research in financial management relevant to the Canadian Financial Industry and the public, and (b) support Canadian academics by providing funding for research projects which fall within the research themes developed by CFERF.

The mission of CFERF is to advance the profession and practices of financial management through research. It underwrites and conducts objective research projects on business management topics. Most research investigates the evolving role of financial executives, the practices of financial management, the techniques to improve its effectiveness, and other specific topics related to the advancement of corporate efficiency in Canada. The products of the Research Foundation will be topical and distributed in a format that is both timely and convenient for financial executives and the public.

Award

Grants of up to \$10,000 will be awarded to two successful applicants of the RFP process. Winners will also receive a complimentary, one year “Academic Membership” in FEI Canada.

RFP Process

Please refer to the following text and appendix for the RFP process.

Summary of Timeline

1. RFP Submission Due – **April 2, 2007**, 4:00 pm EST.
2. Contract(s) Awarded – April 25, 2007, 4:00 pm EST.
3. Outline of report submitted to CFERF within thirty (30) calendar days of Contract Award, namely May 25, 2007, 4:00 pm EST.
4. Detailed outline of report is approved by CFERF (June 15, 2007). This timeline anticipates that there are no complications with the detailed outline.
5. Draft final report submitted to CFERF for review and comment forty-five (45) calendar days prior to submission of the final report. (January 11, 2008).
6. **Submission of the final report February 28, 2008**

REQUEST FOR PROPOSALS

1. Mandate

- 1.1 The Canadian Financial Executives Research Foundation (CFERF) is pleased to issue its first annual, Request for Proposals (RFP) to fund finance related research projects proposed by the Canadian academic community and qualified researchers from the professional community for the 2007-2008 fiscal year.
- 1.2 This RFP is ordinarily open to tenured and non tenured faculty (i.e., “academic researchers”) employed at Canadian universities or colleges. Projects undertaken by Canadian researchers as the lead consultant(s) and industry professionals (i.e., private consulting firms, professionals, independent researchers, etc.) will also be considered.
- 1.3 CFERF may financially support, in whole or in part, approved Research Proposals and conduct objective, direct research in partnership with specific organizations.
- 1.4 Research sponsored by CFERF will be topical and distributed in a format that is both timely and convenient for financial managers.
- 1.5 CFERF encourages academics from a variety of disciplines to apply including finance, accounting, economics, business, law and public policy, etc. Interdisciplinary approaches are encouraged. We also encourage all interested academic researchers to consider submitting proposals and to share this RFP with your colleagues within your department and in other departments.

2. About CFERF

- 2.1 CFERF was established by Financial Executives International, Canada (FEIC) to (a) promote and disseminate Canadian specific research in financial management relevant to FEIC members, their organizations, and the public and (b) support Canadian academics by providing funding for research projects which fall within the research themes developed by CFERF.
- 2.2 The mission of CFERF is to advance the profession and practices of financial management through research. It underwrites and conducts objective research projects on business management topics. Most research investigates the evolving role of financial executives, the practices of financial management, the techniques to improve its effectiveness, and other specific topics related to the advancement of corporate efficiency in Canada. The products of the Research Foundation

will be topical and distributed in a format that is both timely and convenient for financial executives. CFERF will be independent of its Founder, FEI Canada and has its own Board.

- 2.3 In order to preserve and protect CFERF's application for charitable tax status and the integrity of our work, it is critical that the research and analysis be separate and apart from member advocacy and research sponsor interest. At its core, CFERF will act ethically to maintain unbiased objectivity and establish a credible reputation in the business, academic and regulatory communities. In order to maintain this objectivity and prevent either perceived or actual conflict of interest, CFERF requires disclosure of sponsor or technical committee involvement in written publications and oral presentations related to each project and survey.

No monies, materials, equipment or services arising out of or by gifts, endowments, contributions, or legacies shall be used for the purpose of influencing legislation or for any subversive pursuit (refer to Appendix "A", Section 9 – Conflict of Interest).

2.4 Contracting Authority

Canadian Financial Executives Research Foundation (CFERF)
Fondation de Recherche des Dirigeants Financiers Canadiens
20 Adelaide Street East, Suite 200
Toronto, ONT M5C 2T6
Canada

Attention:

Heather Bell, Executive Director, CFERF
Telephone: 416-366-3007 X 5107
Facsimile: 416-366-3008
Email: hbelle@feicanada.org
Web Site: www.feicanada.org

- 2.5 The text "Request for Proposals" and "Appendix "A"", constitute the entire Request for Proposals.

Funding

- 3.1 In order to be considered for funding, a Research Proposal should:
- conform to the general thrust of the noted Research Priority Areas and Suggested Topics;
 - be relevant to financial executives;
 - be completed within the projected timeframes, and
 - maintain an appropriate quality standard.

3.2 Research funded by CFERF is not restricted to projects which will be published in scholarly journals, although that is one desirable outlet. Funding will also be provided for research leading to articles in practitioner journals, reports intended for governmental or professional bodies, research disseminated at academic or professional conferences and other appropriate outlets.

3.3 (i) Financial Assistance per proposal will be determined by the available funds and the number of approved Research Proposals. Individual proposals will generally be limited to \$10,000 **including** Applicant expenses.

(ii) If the Research Project is financially supported by other grantors, the Applicant must disclose the names of the other grantors (funders), the amounts of other funding and whether or not this impedes CFERF's ability to use, publish or otherwise distribute the final Research product. If there are other funders, the Applicant is required to obtain releases from the other funders that there is no impediment or conversely, state the impediments to CFERF's use of the final Research project.

3.4 The following funding is being offered for the 2006-2007 fiscal year.

(i) **Up to two (2) research grants of up to \$10,000 each may be awarded for solicited or unsolicited proposals for research papers.**

4. 2007/2008 Research Priority Areas and Suggested Topics

4.1 All research proposals falling within CFERF's mandate for non-sponsored research will be considered for financial support. CFERF has established the following topics of immediate priority.

4.2 Applicants are invited to submit one or more proposals based on the 2007/2008 Research Priority Areas and Suggested Topics and/or any other topic the Applicant believes falls within CFERF's Research mandate.

Research Priority Areas	Sample Topics & Research Questions
The Evolving Role of Financial Executives	Increasing Disclosure Requirements and Related Internal Controls Thereon

Current Issues in Financial Management	Pension and Post Retirement Issues and Under Funding
CFO Specific Issues	Audit Committee Best Practices
Specific Issues Related to the Advancement of Corporate Efficiency in Canada through Effective Financial Management	How the Evolution of Financial Buyers has Enhanced the Mergers and Acquisition Landscape
Other Research Priority Areas	Capital Structure Decisions

5. **Proposal Requirements**

5.1 Applicants are asked to provide the following information in their Proposal and are asked to use the same reference numbering system as indicated below, in order to expedite the evaluation process:

A. **General Information**

- A1. Provide the title of the proposed research paper and a brief synopsis of the proposed research paper.
- A2. Provide the full name, address, telephone and facsimile number, and email address of the Applicant(s), and the principal contact person. Indicate the experience of the Applicant(s) in conducting in similar projects.
- A3. Provide a description, of no more than three (3) examples, of relevant project experience. Include the role of the Applicant(s) in the project(s).
- A4. Identify any and all existing and potential conflicts of interest, actual or apparent. The Applicant must warrant that to the best of his/her knowledge or belief at the submission of its Proposal that no conflict of interest or organizational conflict of interest exists or is

likely to arise in the performance of his/her obligations under the Contract by itself or by its employees or any sub-contractors. If CFERF deems that an existing or potential conflict of interest exists, CFERF may, in its sole and absolute discretion, reject or cancel the Proposal(s).

B. Research methodology and design

B1. Provide a detailed description of the proposed research objectives, methodology and design to meet the project requirements.

B1 (a) If Primary Research is to be conducted: The Applicant should provide information in regard to how the Applicant will conduct the primary research (i.e., questionnaires, surveys, etc.), sources of data, analytical tools, forecasting techniques and applications. Particular attention should be paid to the sources of data and how the data will be secured in a timely manner.

B1 (b) If Secondary Research is to be conducted: The Applicant should describe the supplemental secondary source information to be used including published statistics, published texts, directories, proprietary databases, etc. Particular attention should be paid to the sources of data and how the data will be secured in a timely manner.

B2. Describe any proposed additions to the scope of work. Additions should be costed separately in the budget.

B3. Indicate any existing or potential outlets which the researcher may disseminate the results of the research.

C. Team

C1. Provide a brief biography of each team member, including an identification of the project manager, and the roles the various team members will play in the research. Include resumes in an appendix.

D. Budget

Financial assistance per proposal will be determined by the available funds and the number of approved Research Proposals. However, individual proposals will generally be limited to \$10,000 reimbursable expenditures.

Researchers should submit a budget in sufficient detail to ensure that the CFERF Research Committee fully understands the basis for each item for which reimbursement is requested. The following are examples of costs which are eligible for reimbursement:

- Payment for research assistants;
- Purchase or rental of equipment, data bases and/or software required for the project;
- Travel for data collection purposes;
- Stipend(s) for course release purposes, accompanied by a confirming letter from the researcher's dean or department chairperson;
- Supplies consumed during the project, telephone charges related to the project, etc.;
- Other appropriate expenditures.

In limited circumstances, the cost of transportation to a conference or other venue where the results of the research will be discussed may be considered for reimbursement.

Overhead or administration fees of the researcher's institution are not eligible for reimbursement.

E. Timeline

- E1. Prepare a schedule based on the activity. Identify the number of weeks it will take to undertake each activity, key decision points and benchmarks that will be attained from project initiation, through to submission of the final report.
- E2. A detailed outline of the report must be submitted to CFERF for review and comment within thirty days (30) of Contract Award. Allow twenty (20) business days for review and comment.
- E3. Incorporate three (3) project status meetings at CFERF offices (or via conference call) during the course of the project.
- E4. One (1) draft report must be submitted to CFERF for review and comment forty five (45) days prior to submission of the final report. Allow five (5) business days for review and comment.
- E5. Submission of the final report is expected by February 28, 2008.

F. Closing Date for RFP

Closing Date and Closing Time for Proposal Submissions is April 2, 2007 at 4:00 pm EST.

6. **Deliverables**

- 6.1 The final deliverable will be a formal report that will present the results of the research to a professional audience. Use of colour tables, charts, graphs, etc. is highly recommended to convey the research results in an easily understandable and straightforward manner.
- 6.2 While the research should be academically demanding, the report should be written in a manner that can convey the research hypothesis, design, analysis and conclusions to a professional audience.
- 6.3 Upon completion of the research, successful applicants will be required to:
- (i) submit a PDF version of their final paper, article, report or similar document to CFERF, and
 - (ii) provide ten (10) hard copy colour final reports are to be provided to CFERF along with any and all electronic files used in production of the report. Electronic files are to be created using the following Microsoft products: Word, Excel, and PowerPoint. If other software is used, CFERF is to be provided with a copy of the software used in the production of the report.
 - (iii) provide CFERF with a summary of the final deliverable in PDF format. This summary will be placed on the FEIC website.

APPENDIX “A”

Instructions to Applicants / RFP Process

1. General Instructions

- 1.1 Applicants may submit more than one (1) Proposal.
- 1.2 Two (2) original signed Proposals must be submitted. For each Proposal submitted there must be one (1) copy of all supporting materials, if any.
- 1.3 Proposals must be delivered to CFERF at the address specified in Request for Proposals, paragraph 2.4 in the main text – Contracting Authority, prior to the Closing Date and Closing Time (refer to paragraph 5.F in the main text – April 2, 2007, 4:00 pm EST). Proposals may be sent by email and/or facsimile.
- 1.4 CFERF is not responsible for documents delivered to any other location other than to the address specified in Request for Proposals, paragraph 2.4 – Contracting authority
- 1.5 CFERF accepts no responsibility or liability for misdirected, unreadable, incomplete or confidential Proposals or electronic mail questions and it is the sole responsibility of the Applicant to ensure the transmission has been received by CFERF in a timely manner.
- 1.6 Proposal preparation costs will not be reimbursed to any Applicant even if an Award is not made.
- 1.7 After the RFP Closing Date and Closing Time (refer to paragraph 5.F in the main text – April 2, 2007, 4:00 pm EST), Proposals shall be irrevocable by any Applicant for a period of not less than sixty (60) days, and all documents submitted become the sole property of CFERF (excluding trademarks and logos owned by the Applicant).
- 1.8 The Applicant must warrant that to the best of his/her knowledge and belief that the submission of its Proposal that no conflict of interest or organizational conflict of interest exists or is likely to arise in the performance of its obligations under the Contract by itself or by its employees or any sub-contractors.
- 1.9 If CFERF deems that an existing or potential conflict of interest exists, CFERF may, in its sole and absolute discretion, reject any Proposal.

2. Enquiries

- 2.1 All enquiries regarding the RFP must be submitted in writing to CFERF (refer to paragraph 2.4 in the main text) as early as possible, but not later than one week (5 business days) before the Closing Date (refer to paragraph 5.F in the main text) of the RFP.
- 2.2 No information given in any format other than written will be binding or can be construed to change the requirements of the RFP.
- 2.3 Information provided orally **shall not** be binding upon CFERF. Applicants must have written confirmation from CFERF for any changes, alterations, etc. concerning this RFP.
- 2.4 At the sole discretion of CFERF, an Applicants' meeting may be held to answer questions.

3. Evaluation Procedure

- 3.1 Proposals will be reviewed by CFERF and evaluated based on the clarity of the Proposal and:
 - (i) applicability to Canadian financial executive community;
 - (ii) adequacy of the research method and design and appropriateness to the project;
 - (iii) experience of the researchers;
 - (iv) budget;
 - (v) timeline;
 - (vi) any other means CFERF deems appropriate
- 3.2 Proposals will be considered and Contract(s) awarded by April 25, 2007.
- 3.3 CFERF reserves the right to interview Applicants, and Applicants must understand and agree that independent verification may be sought to any information contained in their Proposal.
- 3.4 Proposals must comply with all the requirements of this RFP.
- 3.5 It is understood and accepted by the Applicant that all decisions on whether a Proposal satisfies the requirements of this RFP and meets, or to what degree it meets, the stated evaluation criteria are the judgement of CFERF in its sole discretion.
- 3.6 In order to obtain the most advantageous offer, CFERF reserves the right in its sole discretion:

- (i) To waive irregularities and/or minor non-compliance by any Applicant with the requirements of this RFP.
 - (ii) To request clarification and/or further information from one or more Applicant after the Closing Date without obligation to offer the same opportunity to all Applicants.
 - (iii) To interview and/or enter into negotiations with one or more Applicants without obligation to interview and/or negotiate with, or offer the same opportunity to, all Applicants.
 - (iv) If negotiations with a Successful Applicant(s) do not result in a Contract Agreement, to enter into negotiations with any other Applicant, or to discontinue negotiations and terminate this RFP, at its option.
- 3.7 Applicants are advised to submit a complete offer as their Proposal. Any waiver, clarification or negotiation will not be considered as an opportunity for Applicants to correct errors in their Proposal.
- 3.8 Proposals will be evaluated on the best value to CFERF, the lowest or any Proposal may not necessarily be accepted.
- 3.9 CFERF is not obligated to award any contract as a result of the RFP and reserves the right in its sole discretion to cancel this RFP process at any time before or after the Closing Date and Closing Time (refer to paragraph 5.F in main text, April 2, 2007, 4:00 pm EST) without providing reasons for such cancellation.
- 3.10 CFERF reserves the right to negotiate provisions in addition to those stipulated in this RFP or proposed by the Successful Applicant(s).

4. Summary of Timeline

- 4.1 RFP Submission Due – April 2, 2007, 4:00 pm EST.
- 4.2 Contract(s) Awarded – April 25, 2007, 4:00 pm EST.
- 4.3 Outline of report submitted to CFERF within thirty (30) calendar days of Contract Award, namely May 25, 2007, 4:00 pm EST.
- 4.4 Disbursal of Funds – ½ of funds will be dispersed after detailed outline of report is approved by CFERF (June 15, 2007). This timeline anticipated that there are no complications with the detailed outline.
- 4.5 Draft final report submitted to CFERF for review and comment forty five

(45) calendar days prior to submission of the final report (January 11, 2008).

- 4.6 Submission of the final report – February 28, 2008
- 4.7 Disbursal of Funds – Balance of funds will be dispersed after submission of final report.

5. **Award**

- 5.1 If a satisfactory Contract Agreement can be negotiated with the Successful Applicant(s) the Award will be confirmed as Final.
- 5.2 Unsuccessful Applicants will not be notified by CFERF.
- 5.3 Applicants may inquire about the Award after the awards date. CFERF will not release any information regarding the RFP before that date except to the Successful Applicant(s).
- 5.4 Unsuccessful Proposals will be retained for a period of 90 days after the notification of award and will be disposed of in a confidential manner. Any inquiries related to unsuccessful Proposals must be directed to CFERF within the 90-day period.
- 5.5 A single contract may be assigned for the entire Proposal or multiple contracts may be awarded for portions of the Proposal.
- 5.6 Final award and contract signing(s) will occur after successful completion of contract negotiations.

6. **General Terms**

- 6.1 The Successful Applicant(s) shall not use the name of, or the intellectual or other property of, CFERF, its directors, officers, or staff for any external marketing purposes whatsoever without prior written permission from CFERF.
- 6.2 Right to Use
 - 6.2.1 CFERF may enter into a “Right to Use” agreement with the successful applicant. Acknowledgement will be provided to the Successful Applicant(s).
 - 6.2.2 The Successful Applicant(s) may use and/or publish variations of its

research in any print or electronic format as a result of the work described herein. The Successful Applicant(s) must obtain prior written permission from CFERF which consent shall not reasonably be withheld. Acknowledgement must be provided to CFERF.

- 6.2.3 CFERF retains the right to promote the work (i.e., in press releases, websites, publications, etc.) in its sole and absolute discretion in whole in any print or electronic format as a result of the work described herein. Acknowledgement will be provided to the Successful Applicant(s).
- 6.3 If any Applicant has any mandatory contract provisions or wishes to incorporate or use any standard terms and conditions, the Applicant shall append such materials to their RFP response and indicate any mandatory provisions contained therein.

7. Executed Contract to Constitute Entire Agreement

- 7.1 The contents of this RFP, any RFP Revisions, Appendices, the Proposal of the Successful Applicant(s), shall become part of the Contract Agreement, unless otherwise specifically, and in writing, agreed between the parties. Failure of the Successful Applicant(s) to accept these obligations in a contractual agreement may result in a cancellation of the Award.

8. Suspension and Termination

- 8.1 CFERF shall have the right to suspend or terminate the Contract Agreement at any time and from time to time either with or without cause.
- 8.2 CFERF may terminate the Contract Agreement at any time and from time to time without cause upon not less than thirty (30) days written notice of same. The person(s) receiving CFERF funds have an implicit and explicit obligation to limit any new expenditures upon notice of contract termination.
- 8.3 CFERF may terminate the Contract Agreement at any time and from time to time for cause, without liability for any termination expenses or any other costs.

9. Conflict of Interest

- 9.1 The Successful Applicant(s) warrants that to the best of his/her knowledge or belief at the signing of the Contract Agreement that no conflict of

interest or organizational conflict of interest exists or is likely to arise in the performance of its obligations under the Contract by itself or by its employees or any sub-contractors.

- 9.2 The Successful Applicant(s) shall not, and shall use its best endeavours to ensure that any employee, agent or subcontractor of the Successful Applicant(s) shall not, during the course of the Contract, engage in any activity or obtain any interest likely to conflict with or restrict the Successful Applicant(s) in performing its obligations under the Contract fairly and independently and shall immediately notify the CFERF in writing of any conflict or risk of conflict.
- 9.3 If CFERF deems that an existing or potential conflict of interest exists, CFERF may, in its sole and absolute discretion, suspend or terminate the Contract Agreement at any time and from time to time either with or without cause as described in Section 8 of Appendix "A".
- 9.4 The Successful Applicant(s) acknowledges that it may come into possession of personal information in the custody and control of CFERF while performing the Work and agrees that it will only use such personal information for the purpose of performing the Work, that it will not disclose such information to another organization without CFERF's express written consent, that it will take reasonable steps to safeguard such personal information from loss, theft, unauthorized access, disclosure, copying, use or modification, and that it will otherwise comply with the *Personal Information Protection and Electronic Documents Act* and the *Freedom of Information and Protection of Privacy Act*, and all relevant Provincial laws, if and to the extent applicable.