

RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
Bid Receiving - PWGSC / Réception des soumissions
- TPSGC
11 Laurier St. / 11, rue Laurier
Place du Portage , Phase III
Core 0A1 / Noyau 0A1
Gatineau, Québec K1A 0S5
Bid Fax: (819) 997-9776

SOLICITATION AMENDMENT MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

Vendor/Firm Name and Address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution
Business Management and Consulting Services
Division / Division des services de gestion des affaires
et de consultation
11 Laurier St. / 11, rue Laurier
10C1, Place du Portage
Gatineau, Québec K1A 0S5

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|---|---|
| Title - Sujet Prepaid Card Services | |
| Solicitation No. - N° de l'invitation EN891-130377/B | Amendment No. - N° modif. 003 |
| Client Reference No. - N° de référence du client 20130377 | Date 2014-03-18 |
| GETS Reference No. - N° de référence de SEAG PW-\$ZG-419-27182 | |
| File No. - N° de dossier 408zg.EN891-130377 | CCC No./N° CCC - FMS No./N° VME |
| Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2014-03-31 | Time Zone Fuseau horaire Eastern Standard Time EST |
| F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/> | |
| Address Enquiries to: - Adresser toutes questions à: McNeely, Lysianne | Buyer Id - Id de l'acheteur 408zg |
| Telephone No. - N° de téléphone (819) 956-5193 () | FAX No. - N° de FAX (819) 956-2675 |
| Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: | |

Instructions: See Herein

Instructions: Voir aux présentes

| | |
|--|--|
| Delivery Required - Livraison exigée | Delivery Offered - Livraison proposée |
| Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur | |
| Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur | |
| Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie) | |
| Signature | Date |

This amendment is raised to answer questions pertaining to the RFI. Note that Question 1 appeared in amendment 002.

Questions and Answers:

Q2. Gen Pg 6 Q 11. When is the final RFP expected to be released?

A2. A date is not yet set for the release of the RFP.

Q3. Gen Pg 6 Q 11. The RG expects zero liability to the rightful beneficiary in the event that they are affected by fraudulent card activity. Are there any cases where zero liability would not apply? Question is specific to MasterCard and Visa - Zero liability isn't an Interac policy. How does the RG expect zero liability to be applied for Interac programs?

A3. The RG expects Interac Prepaid Cards to follow the same logic as Visa and MasterCard. However, if the process is different, your input to question 11 will be taken into consideration.

Q4. SOW 3.1.8 /2. There may be times when a large number of beneficiaries are enrolled into the prepaid card program at the same time. The Contractor must be able to handle fluctuation numbers of enrolments. What are the peak volumes ('large number') expected at initial enrolment? We would appreciate an indication for order of magnitude. The monthly average from annual volumes on Pg18 would be 1.2 million, should we expect this number in first months to be % higher or lower? Are there other times where peak levels will be expected? Please assist us to quantify this.

A4. N/A.

Q5. SOW 4.1.1/2. The prepaid card solutions being sought by the RG is a banking service and the cards must be a product offered by a bank. Requirement: 'must be a product offered by a bank' is a specific description, relating to the issuing institution. Can this to be modified to 'a Federally Regulated Financial Institution'?

A5. Remark to be taken into consideration.

Q6. SOW 4.1.1/8. There must be no maximum transaction amount associated to the card, with the exception of the maximum daily amounts that may be in place on ATMs. No max amount: what peak transaction dollar amounts could be expected (estimate)? Your feedback is required for risk assessment of prepaid card portfolio.

A6. N/A.

Q7. SOW 4.1.1/10. The card must not expire. Assumption: this is to be changed to read "The Funds must not expire" instead of "card"? Clarification: All network branded cards require an expiry date on the card to process transactions through the payment networks.

A7. Remark to be taken into consideration.

Q8. SOW 4.1.1/13. The Contractor must not enforce any minimum or maximum value to the prepaid card account. No min/max value: what is the maximum dollar value on the card expected to be? Current network prepaid cards require maximum dollar values to reduce risk.

A8. N/A.

Q9. SOW 4.1.3/2 b. Online: The Contractor must provide a web interface Cardholders may use to activate their cards online. PCS is unaware of any existing FI's that allow prepaid or credit cards to be activated online. Best practices in the payment industry are to use phone ID technology to match phone number to account as well as other validation methods. Is the RG aware of incumbent FI's that do allow online activation in Canada? We would like to point out that risks are associated with online activation.

A9. This issue is raised under question 6. Your suggestions will be taken into consideration and the right decision taken accordingly.

Q10. SOW 4.1.3/4. The Contractor must use an activation process that minimizes the risk of fraudulent activation with zero liability to the RG. Fully understood. In a case where a Government employee is found to be responsible for fraud, will the RG consider taking liability?

A10. The contractor will not be responsible for fraud outside of to be determined at the point of issuing the RFP.

Q11. SOW 4.1.5. 'At a minimum, payment instructions will be provided by 3:00 pm the day before payment is due'. Are all times quoted in the RFI quoted as Eastern Standard Time?

A11. Yes.

Q12. SOW 4.1.12. Recalls. What is the estimated monthly volume of recalls?

A12. N/A.

Q13. SOW 4.1.13. Trace Requests. What is the estimated monthly volume of trace requests?

A13. N/A.

Q14. SOW 4.1.13. Trace Requests. Is there a maximum response time for responses on trace requests?

A14. No response time is defined yet. We will review and add it to the Service Levels.

Q15. SOW 4.1.15/1. Unclaimed balances in a prepaid card account must be transferred to the Bank of Canada after 10 years of inactivity. Notices must be sent to the Cardholder after 2 and 5 years of inactivity. As it will be costly to maintain cards on systems for an extended period (10 years), would you mind clarifying the rationale behind this requirement?

A15. The RG is following the same logic that applies to regular bank accounts. Please let us know how you envision managing this.

Q16. SOW 4.1.15/3. If a payment is erroneously made to a deceased beneficiary, the RG Cheque Redemption Control Directorate (CRCD) will notify the Contractor. The Contractor must return the payment to the CRCD when notified. Which party does RG consider to be responsible for the loss of funds if these funds are spent prior to notification from the CRCD?

A16. The Contractor must return the payment to the CRCD when notified. However, the contractor will not be responsible for the loss of funds if the payment is made originally to a deceased person as per the RG's instructions.

Q17. SOW 6.1.3/2. The prepaid cards and instant issuance prepaid cards issued by the Contractor must remain active and available for the Cardholder use even after the contract period has expired and the RG is no longer loading the account. Funds will not be transferred to a new contractor. A card can not remain active indefinitely after contractor change, due to technical and payment network limitations. Would it be possible to define a minimum period? What services are expected to be available?

A17. Funds should always be available to beneficiaries. However, the mechanism to accomplish it might differ. Please define how it should be accomplished, mainly for the instant issuance cards.

Q18. SOW 6.1.3/2. The prepaid cards and instant issuance prepaid cards issued by the Contractor must remain active and available for the Cardholder use even after the contract period has expired and the RG is no longer loading the account. Funds will not be transferred to a new contractor. Why is there a restriction from transferring funds to a new contractor? After a period of time, best practice and preference in the payment industry could be to 'transfer the BIN' so that trailing activity can be managed with the remainder of the card portfolio. This option should be negotiable if it is the preference of both the existing and new Contractor. This also addresses previous question.

A18. Remark to be taken into consideration

Solicitation No. - N° de l'invitation

EN891-130377/B

Amd. No. - N° de la modif.

003

Buyer ID - Id de l'acheteur

408zg

Client Ref. No. - N° de réf. du client

20130377

File No. - N° du dossier

408zgEN891-130377

CCC No./N° CCC - FMS No/ N° VME

Q19. SOW 8 /8. The Cardholder must be able to contact the Contractor's customer service representatives via telephone as often as required in order to make inquiries or resolve issues with their accounts. Is toll free live customer service support expected to be unlimited and free of charges? This statement does not indicate it is to be 'without incurring any fees'. Common practice is to allow a reasonable amount of calls for free, while finding a solution to avoid abuse of customer services and potentially hindering other customers.

A19. Remark to be taken into consideration