



**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 0B2 / Noyau 0B2**  
**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**  
**THIS DOCUMENT CONTAINS SECURITY**  
**REQUIREMENTS**

**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

<b>Title - Sujet</b> Foreign Banking Services	
<b>Solicitation No. - N° de l'invitation</b> EN891-161475/B	<b>Amendment No. - N° modif.</b> 003
<b>Client Reference No. - N° de référence du client</b> 20161475	<b>Date</b> 2016-12-02
<b>GETS Reference No. - N° de référence de SEAG</b> PW-\$\$ZG-411-30539	
<b>File No. - N° de dossier</b> 411zg.EN891-161475	<b>CCC No./N° CCC - FMS No./N° VME</b>
<b>Solicitation Closes - L'invitation prend fin</b> <b>at - à 02:00 PM</b> <b>on - le 2016-12-19</b>	
<b>Time Zone</b> Fuseau horaire Eastern Standard Time EST	
<b>F.O.B. - F.A.B.</b> <b>Plant-Usine:</b> <input type="checkbox"/> <b>Destination:</b> <input checked="" type="checkbox"/> <b>Other-Autre:</b> <input type="checkbox"/>	
<b>Address Enquiries to: - Adresser toutes questions à:</b> Baker(411zg), Roxane	<b>Buyer Id - Id de l'acheteur</b> 411zg
<b>Telephone No. - N° de téléphone</b> (873) 469-4960 ( )	<b>FAX No. - N° de FAX</b> (819) 956-2675
<b>Destination - of Goods, Services, and Construction:</b> <b>Destination - des biens, services et construction:</b>	

**Instructions: See Herein**

**Instructions: Voir aux présentes**

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

**SOLICITATION AMENDMENT 003**

This amendment is raised to answer Bidders' questions 23 – 35 and modify the solicitation accordingly.

**QUESTIONS AND ANSWERS**

Q1	Is the bidder required to calculate the pricing as per table 1.0 "Calculation of Total Price (TEP)"? Or simply filling in the requested pricing tables in section "Annex B Statement of Payment"? <b>Section: Attachment 1 to Part 3 and Annex B Basis of Payment</b>
A1	The Bidder is required to complete the requested pricing tables in "Annex B – Basis of Payment".
Q2	Is the bidder required to reply to Annex C "Security Requirements Checklist" or is this simply for reference? <b>Section: Annex C Security Requirements Checklist</b>
A2	The Annex C – Security Requirements Checklist is for reference only but the bidder will have to get the necessary Security requirements to fulfill the requirements of the Contract.
Q3.	Can you confirm that the daily rates file contains only rates for payments? ie it does not contain rates for receipts? <b>Section: 2.10 Daily Exchange Rate File</b>
A3.	The daily exchange rate file exists to facilitate Canada's accounting, which is done in CAD. Since the accounting of foreign currency receipts does not pose the same challenges as payments, the daily exchange rate file currently only needs to reflect the exchange rates for payments.
Q4	The SACC Manual identifies the requirements of the audit but does not specify how the audit should take place. Does PWGSC require the contractor to follow a specific procedure in order to ensure they meet the specification outline in the SACC manual or is the contractor expected to outline their own procedure, which they will follow in order to ensure they meet the SACC requirement C0705C (2010-01-11)? <b>Section: 7.6.5 Discretionary audit – C0705C (2010-01-11), Discretionary Audit</b>
A4	Canada may, at its discretion, conduct an audit on the subject contract. Typically, this process involves a review of the accounting record and invoices related to the delivery of the contract. It is understood that the successful Contractor must keep and maintain its financial records associated to this contract.
Q5	Do both payments and collections need to use the same base rates when quoting pricing in Attachment 1 to Part 3 – Pricing Schedule? <b>Section: Attachment 1 to Part 3 – Pricing Schedule</b>
A5	There is no requirement that the Bidder quote the same rates for payments and receipts.
Q6	Can you confirm that receipts do not require the use of the daily guaranteed rate quoted in the Daily Exchange rate File? – Will spot be used in this case? <b>Section: Attachment 1 to Part 3 – Pricing Schedule</b>
A6	Canada requires that a spot rate be applied to receipts and not the rates quoted in the daily exchange rate file.

Q7	Can the Receiver General (RG) disclose the weightings to be used in the calculation of pricing in "Attachment 1 to Part 3 – Pricing Schedule"? <b>Section: Attachment 1 to Part 3 – Pricing Schedule</b>
A7	Canada will not disclose the weighting factors applied to the pricing calculation in Attachment 1 to Part 3.
Q8	PHP cheques are listed as a mandatory AFT currency, but there are no client volumes listed in "Annex A – Appendix 4" as there are for all other mandatory currencies. Is this still a mandatory currency? <b>Section: Annex A – Appendix 1 Required Payment Coverage – pg. 29 of 65 and Annex A – Appendix 4</b>
A8	Yes, local currency cheque coverage in PHP is a mandatory requirement.
Q9	MTC5 specifies socio-economic payments abroad separately from the AFT and Cheque currencies. Any reason why these are call out separately? Any separate solutioning required for these types of payments? <b>Section: Attachment 1 to Part 4 – Technical Criteria – MTC5</b> <i>"Canada has an obligation to issue socioeconomic payments abroad. In support of this requirement, the Bidder must be able to offer payment coverage, in the form of local currency cheque of AFT or CAD/USD cheque payments or wire, to all countries identified in Annex A, Appendix 1 – Required Payment Coverage."</i>
A9	Socio-economic payments are addressed separately to emphasize their importance to Canada. The intention of MTC5 is to ensure that there are no gaps in a bidder's coverage for socio-economic payments.
Q10	Is there a difference in the methodology of communicating the FX rates over \$100 M and under \$100 M? The RFP state the daily FX file will contain one rate per ISO currency code, how will the over \$100M rates be quoted? <b>Section: Annex A – Appendix 5 – Payment Processing Daily Schedule</b>
A10	For FX rates on payments equal to or greater than \$100K, Canada requires confirmation of the spot rate in lieu of the rate quoted in the daily exchange rate file. While the RFP allows some flexibility in how these spot rates are communicated (email, online application, etc.), the process currently takes place by phone/email.
Q11	There are situations where an inquiry comes from correspondent or bene bank for further details of the payment. How should these inquiries reach PWGSC? <b>Section: 2.23 Performance Reporting</b>
A11	The RFP allows some flexibility in how these inquiries reach PWGSC, provided that they utilize a secure channel. Currently, such inquiries are delivered using secure, encrypted email.
Q12	The RFI clearly and explicitly states that the bidder will be required to hold the FX rates sent at 7:00am. However, the section which had this language in the RFI was removed from the RFP, our question is: are guaranteed rates held from 7:00am still a requirement? <b>Section: 2.10 / Daily Exchange Rate File</b>

A12	The daily exchange rate file exists to enable departments to accurately estimate the CAD-equivalent on small-value, foreign-entitlement payments. This is important to Canada, given that all accounting occurs in CAD. Though in the past, Canada required that the rates quoted in the daily exchange rate file be guaranteed for all small-value transactions for a given day, this requirement has been eliminated in favour of a spot rate applied to all transactions.
Q13	<p>When foreign cheques are received, they need to be sent on a collection basis to the bank it is drawn against. There are collection fees associated with this collection process. We are wondering if these other bank charges be posted as an adjustment for cheque collections (meaning that the collection fees are deducted from the original amount of the cheque or do these fees need to be embedded in the bidders pricing/spreads? Are we correct in understanding that returned/rejected cheques through the cheque collections process can be reversed through an adjustment equal to the value posted on presentment?</p> <p><b>Section: “2.17.1.4/Cheque Inquiries (page 12 of 65) and – 2.20 Miscellaneous Receipts and Deposits (page 14 of 65)”</b></p>
A13	When a foreign cheque must be sent on collection, other bank charges cannot be deducted from the original cheque amount. As a general rule, the contractor must only charge Canada for the elements specified in the Basis of Payment. Returned or rejected cheques through the cheque collections process can be reversed through an adjustment equal to the value on presentment.
Q14	<p>Is a specific base rate (ie Reuters) to be used when quoting markups, or is it up to the bidder to decide on the base rate? The RG has no specific mention of a base.</p> <p><b>Section: Attachment 1 to Part 3 – Pricing Schedule</b></p>
A14	Canada requires that a wholesale exchange rate serves as the base rate. While the RFP does not specify the exact rate to be used, Canada’s expectation is that it be derived from a prominent and credible source (i.e. Reuter, Bloomberg).
Q15	<p>The RFI mentions MQ Series as a way of communicating “It is PWGSC’s preference that the bidder use this MQ as the means to send/receive real time message traffic between the two (2) sites.”, however this section has been removed from the RFP. For above threshold payments and exotic currencies does PWGSC require the FX rate to be reviewed and confirmed before the bidder books the FX deal, or will the 7am guaranteed rates apply to 100% of PWGSC payments?</p> <p><b>Section: Annex A – Appendix 2 – File Structure Information</b></p>
A15	Please refer to the response provided to question 12.
Q16	<p>Can PWGSC send full year 2015 volumes for payments and collections in the same format “1.2 Detailed Payment Information” in Annex A – Appendix 4”, ie by currency, payment type as well as above and below \$100M?</p> <p><b>Section: “Annex A - Appendix 4 – Volume and Value Information – 1.2 Detailed Payment Information”</b></p>
A16	Due to system limitations, Canada cannot supply the full 2015 volumes. The Detailed Payment Information (four-month sample) and the Summary Payment Information were provided to allow bidders to extrapolate an entire year of detailed information.
Q17	How many files do you send per month?
A17	3 issue files are sent twice daily (as part of 2 extracts) from the Standard Payment System (SPS). These include payment info (ranging from cheques to Direct Deposits, wires etc.)

	<p>In addition, 1 other file is also sent daily from SPS. It contains pre-note (banking information), wire correction information, trace requests and recall requests.</p> <p>Daily Files are sent to the Foreign Service Provider from Monday to Friday, excluding Canadian Stat Holidays.</p>
Q18	What is the average number of payments per file?
A18	Last Fiscal Year (FY) there were 756 files with an average of 3,900 payments per file.
Q19	What is the maximum number of payments per file?
A19	<p>There is NO maximum amount / limit applied against the payment file(s).</p> <p>Last FY LOW: 1 payment Last FY High: 94,943 payments</p>
Q20	At what time of the month your files are sent?
A20	Daily Files are sent to the Foreign Service Provider – Monday to Friday, excluding Canadian Statutory Holidays.
Q21	Do you have files on specific dates or frequencies?
A21	<p>Daily Files are sent to the Foreign Service Provider – Monday to Friday, excluding Canadian Statutory Holidays.</p> <p>The RG also issues a monthly main run, 7 days prior to due date (Third last business day of the month) which includes OAS, CPP, various veterans payments, government annuities, etc.).</p>
Q22	We are able to issue payments in most countries except those under embargo or international sanctions. Can we apply?
A22	Canada and the Contractor must at all times comply with all laws and regulations applicable to such party ("Applicable Law") including without limitation economic sanctions, anti-terrorism, and anti-money laundering laws and regulations. As such, Canada does not expect the Contractor to circumvent international sanctions or embargos endorsed by Canada.
Q23	<p>Foreign Currency drafts:</p> <ol style="list-style-type: none"> <li>What is your timing regarding delivering draft requests to the contractor? E.g. Draft file runs. Daily, weekly, bi-weekly, monthly, etc...</li> <li>Please confirm that checks will be mailed to the payees by the contractor.</li> <li>Can you provide a weekly/monthly volume estimate of return items or items requiring investigation?</li> <li>Timing of file delivery to contractor vs due dates. E.g. delivery D+3 etc.</li> <li>EUR drafts. Can you provide a listing of EU countries and volumes per EU country checks are being delivered to? This is critical as in-country nostro clearing will make a significant difference to the payee's in-country.</li> </ol>
A23	<p>Foreign Currency drafts:</p> <ol style="list-style-type: none"> <li>Payments files includes both draft and electronic payments and they are sent daily.</li> <li>Yes, using Canada Post Corporation.</li> <li>Data not on file. This will require a system query but please clarify your request. Are we referring to a payment return files containing draft attempts or draft returned because of wrong addresses, fraud or because they have been tampered with?</li> <li>Range of 7 days to current based on payment product. See attachment.</li> </ol>
Q24	<p>Foreign Exchange:</p> <ol style="list-style-type: none"> <li>Does the RG prefer one contract rate per currency covering all payment types on a given day? (Wire, AFT and Drafts)</li> <li>Or....separate contracts for each payment type (Wire, AFT and Drafts)</li> </ol>

A24	Canada does not have a preference for or against uniform markups quoted for all payment types.
Q25	AFT and Wires payments (domestic and international) <ul style="list-style-type: none"> <li>a. What is your timing regarding delivering electronic payment requests by the contractor? E.g. Daily, weekly, bi-weekly, monthly, etc...</li> <li>b. Can you provide a weekly/monthly volume estimate of return items or items requiring investigation?</li> <li>c. Timing of file delivery to contractor vs due dates. E.g. delivery D+3 etc.</li> </ul>
A25	AFT and Wires payments (domestic and international) <ul style="list-style-type: none"> <li>a. Payments files includes both draft and electronic payments and they are sent daily.</li> <li>b. Data not on file. This will require a system query. Additional information required (i.e. what type of returns: wrong financial data provided on payment files or fraud investigation).</li> <li>c. Range of 4 days to current based on payment product.</li> </ul>
Q26	What will be the legal entity name(s) of the accounts you will open with the contractor?
A26	Accounts opened by the contractor should be in the name of the Receiver General for Canada.
Q27	When quoting cut-off time for contractor processing which time zone should be quoted?
A27	Eastern Standard Time (EST)
Q28	Would it be possible to obtain the complete addresses of DFATD and other departments and agencies mentioned in point 2.21 (page 16 of 65)?
A28	This information will be provided at contract award.
Q29	As shown on Table 1.2 first columns (Canadian Entitlement) page 55 of 65, is it possible to confirm our assumption that the payments must be sent in CAD and that no exchange is required?
A29	Canadian Entitlement payments are converted and paid in a foreign currency.
Q30	We would require clarification of the detailed flow of funds for the following transactions: cheques, AFT and wires.
A30	Please refer to Annex A, sections 2.7 AFT Payment Process, 2.8 Cheque Payment Process, and 2.9 Foreign Currency Wire Payment Process for a detailed flow of funds.
Q31	The incoming and outgoing payments will be made in which currencies?
A31	For the applicable currencies for outgoing payments, please refer to Annex A, Appendix 1 – Required Payment Coverage. A bidder must be able to accept payments made in all foreign currencies.
Q32	Will these transactions values be converted to CAD? If so, will there be payments in CAD afterwards? In which way will these payments be made and which stream of payments (cheque, AFT, wire)?
A32	Incoming payment will be converted in CAD. As per Annex A, section 2.6 CAD Wire Payments Destined Abroad, Canada does have a requirement for payments in CAD.
Q33	Will the payments be directed to the Bank of Canada or to several financial institutions?
A33	Please refer to Annex A, section 2.22 Settlement.

Q34	In which section of "Point Rated Technical Criteria" should we answer for item "2.21 Foreign Currency Bank Notes" in Annex A?
A34	Although the requirement detailed in section 2.21 Foreign Currency Bank Notes form a compulsory aspect of a bidder's service offering, this does not form part of the evaluation in Attachment 1 to part 4.
Q35	<b>Extension Request</b> Is it possible to have an extension on the Deposit date for the RFP response?
A35	Canada is will not allow any extension at the moment.

**ALL OTHERS TERMS AND CONDITIONS REMAIN UNCHANGED.**

**Attachment A to Amendment 003**

**EUR Cheques by Country / Chèques par pays  
Oct-16**

<b>Country Code / Code de Pa</b>	<b>Country / Pays</b>	<b>Volume / le volume</b>
IT	ITALY/ITALIE	6,018
GR	GREECE/GRÈCE	5,887
PT	PORTUGAL	4,339
DE	GERMANY/ALLEMAGNE	1,418
MT	MALTA/MALTE	996
IE	IRELAND/IRELANDE	747
FR	FRANCE	722
ES	SPAIN/ESPAGNE	528
NL	NETHERLANDS/PAYS-BAS	201
CY	CYPRUS/CHYPRE	198
AT	AUSTRIA/AUTRICHE	180
BE	BELGIUM/BELGIQUE	100
FI	FINLAND/FINLANDE	58
SI	SLOVENIA/SLOVÉNIE	52
ME	MONTENEGRO	12
AD	ANDORRA/ANDORRE	8
EE	ESTONIA/ESTONIE	6
MC	MONACO	6
GP	GUADELOUPE	4
GB	GREAT BRITAIN/GRANDE BRETAGNE	2
US	UNITED STATES/ÉTATS UNIS	2
CH	SWITZERLAND/SUISSE	1
DK	DENMARK/DANEMARK	1
HR	CROATIA/CROATIE	1
LU	LUXEMBOURG	1
MF	ST-MARTIN	1
TR	TURKEY/TURQUIE	1
XK	KOSOVO	1
<b>Total / Totale</b>		<b>21,491</b>