

# Statement of Work

## Supervision Framework Implementation: Creation of Processes, Procedures and Online Supervision Manual 11 January 2018

### 1. PROJECT TITLE

1.1 Supervision Framework Implementation: Creation of Processes, Procedures and Online Supervision Manual

### 2. BACKGROUND

The Financial Consumer Agency of Canada (FCAC) plays a key role in financial consumer protection by supervising federally regulated entities, educating financial consumers about their rights and responsibilities, and strengthening financial literacy among Canadians.

FCAC derives its mandate from the [Financial Consumer Agency of Canada Act \(the Act\)](#). The Act outlines our functions, administration and enforcement powers, and lists the sections of federal laws, regulations and obligations under our supervision.

As a regulatory agency, FCAC ensure federally regulated financial institutions, payment card network operators and external complaint bodies (collectively referred to as regulated entities) comply with [legislative obligations, voluntary codes of conduct and public commitments](#) overseen by FCAC.

FCAC published a new [Supervision Framework](#) (Framework) to document the vision for robust and effective oversight and to illustrate how the Agency fulfills its regulatory mandate outlined in the Act. The implementation of the Framework will further advance its regulatory approach to be proactive, transparent, proportional and accountable.

Published in April 2017, the new Framework, summarizes FCAC's legislative mandate as well as its supervisory roles and responsibilities. It describes the types of regulated entities, their obligations and the roles of various other stakeholders. Finally, this document explains the tools that FCAC leverages to fulfill its supervisory mandate while taking a proactive and risk-based approach.

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The Framework includes a variety of oversight tools used by FCAC that broadly support the 3 pillars of supervision: promoting, monitoring and enforcing.

## Pillars of Supervision

Promoting responsible market conduct	Monitoring market conduct	Enforcing market conduct obligations
FCAC Decisions FCAC Guidelines FCAC Rulings Engagement with regulated entities Engagement with stakeholders	Market Conduct Profiles Examinations Mandatory reporting Third-party intelligence Industry reviews	Investigations Notices of Breach Action Plans Compliance Agreements Notices of Violation Notices of Non-Compliance

The Framework will replace FCAC's current Compliance Framework. Although the core activities governing its supervisory approach remain consistent, FCAC has incorporated numerous enhancements, including new or amended supervision and enforcement tools.

Internal FCAC processes and procedures, supporting instruments and functions will be redesigned to support the modernized framework. The Framework, and these underlying initiatives will be phased in over time. FCAC will commence the rollout of the Framework late in 2018.

The creation or amendments and documentation of the processes and procedures that support the policies outlined in the Framework will be conducted in various phases. The first phase must be complete before September 28, 2018. For more information on the first phase- see Deliverables chart below.

### 3. OBJECTIVE

FCAC is seeking to establish **two** Task and Solutions Professional Services (TSPS) based contracts issuing task authorization (TA) on an "as-and-when" needed basis. We are seeking one contractor as the primary contract, whereby the majority of tasks authorizations will be issued, and a secondary contractor to supplement capacity as needed, and / or if the primary contractor is not performing its tasks to the satisfaction of the crown. FCAC will be qualifying two suppliers in order to supplement internal capacity and access specialized skill sets and experience not available internally.

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The immediate known objectives are 1) to create processes and procedures for supervision tools as outlined in the Supervision Framework and 2) develop and implement an online/web-based supervision manual that will organize all the policies, processes, procedures and any supporting instruments used to supervise regulated entities.

FCAC may request additional services, as deemed necessary by FCAC, to meet other related supervision objectives.

## 4. ESTIMATED VALUE

The maximum value of resulting contract shall not exceed \$2,000,000. This amount includes all applicable taxes.

## 5. SCOPE OF WORK AND TASKS

### 5.1 Main Tasks:

#### **Task 1) Create processes and procedures for Supervision tools as outlined in the Supervision Framework**

- 5.1.1. effectively and efficiently implement the new and existing tools as described in the Supervision Framework by creating corresponding processes and procedures
- 5.1.2. Processes and procedures should clearly identify service standards where appropriate, quality assurance measurements, optimal delegation of authority and focus on optimal efficiency and performance.
- 5.1.3. Professionally document the processes and procedures

#### **Task 2) Develop and implement an online/web-based Supervision Manual**

- 5.1.4. Perform an option analysis to recommend a solution that will consolidate and coordinate all of the policies (as described in the Supervision Framework), processes, procedures and supporting instruments created to support the Framework into a user friendly, navigable online Supervision Framework Manual for internal use by FCAC.
- 5.1.5. Gather business requirements for the online manual
- 5.1.6. Design and develop a solution that will consolidate all of the policies (as described in the Framework), processes, procedures and supporting instruments created to support the Framework into a user friendly, navigable online Supervision Framework Manual.
- 5.1.7. Validate and test deliverables.
- 5.1.8. Train FCAC on the utilization of the manual.

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## 5.2 Other tasks:

- 5.2.1. As required, the Contractor shall provide other supervision related tasks, as specified in any additional TA
- 5.2.2. Examples include but are not limited to: Research, analysis and development of any necessary supporting instruments such as templates that support processes and procedures or operational guides.

## 5.3 General tasks and activities:

- 5.3.1. Consult with FCAC staff to understand general business requirements and how the processes and procedures will be utilized.
- 5.3.2. Recommend the best manner to capture and display the processes and procedures for task 1 and task 2 as described in section 5.1
- 5.3.3. Review existing process maps and other related documents
- 5.3.4. Lead brainstorming sessions with FCAC subject matter experts to identify most effective and efficient processes and procedures.
- 5.3.5. Challenge existing processes, analyze and make recommendations for improvements
- 5.3.6. Gather and display all information in a professional modern and easy to follow format
- 5.3.7. Create or assist FCAC in creating the service standards and quality assurance measures
- 5.3.8. Make presentations to FCAC staff/senior management as necessary.

## 5. TASK AUTHORIZATION PROCESS

We are soliciting feedback on a reasonable amount of turnaround time from task authorization to resource resume submitted.

## 6. DELIVERABLES, MILESTONES AND PROJECT SCHEDULE

### 6.1. Expected Start and Completion Dates

The contract duration shall be from contract award (estimated April 2018) to December 31, 2019. The contract shall also contain 4 option years which the FCAC will have the option to exercise.

### 6.2. Task Authorizations (TA)

While the scope of work attached to an issued TA Form shall identify the particular deliverable(s), timelines, and other relevant areas of consideration that are required to be implemented by the Contractor in the provision of services for the specific Task, the Contractor may expect to submit to the FCAC Project Authority any combination of the work described in the Scope of Work and the Task Descriptions.

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## 7.3 Deliverables and Milestones

Deliverable	Description	Timeframe required
Task 1: Processes and procedures	Develop, test and implement processes & procedures for each supervision tool described in Appendix A, including optimization of work, service standards and quality assurance.	Phase I: April 2018-September 2018  Phase II: September 2018-March 28, 2019
Task 2: Online Supervision Manual	Leverage the updated processes, procedures (from task 1) plus any instruments created by FCAC or others to support the processes and procedures and combine all into a web-based, user-friendly manual for FCAC internal use	To be completed by March 28, 2019.  RFI may adjust this date. We are soliciting feedback on the suggested sequence of events.
Other task:	As described in one (1) or more issued Task Authorization Form (s). Example: Develop, test and implement supporting instruments for the Framework.	As required by FCAC

## 7. TECHNICAL, OPERATIONAL AND ORGANIZATIONAL ENVIRONMENT

No technical or operations issues are anticipated.

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## 8. METHOD AND SOURCE OF ACCEPTANCE

The work will be completed based on milestone dates established in section 7 and additional timelines set out between the Project Authority and the contractor and to the satisfaction of the Project Authority. All deliverables must be presented in an agreed upon format and manner. A presentation of the proposed and or final products may be required.

## 9. REPORTING REQUIREMENTS

In addition to the timely submission of all deliverables and the fulfilment of all obligations, the Contractor will facilitate and maintain regular communication with the Project Authority. Communication is defined as all reasonable efforts to inform all parties, as identified by the Project Authority, of plans, decisions, proposed approaches, implementation and results of work, to ensure that the work is progressing well and in accordance with expectations. Communication may include: phone calls, emails and in-person meetings.

The Contractor is to immediately notify the Project Authority of any issues, problems, or areas of concern in relation to any work completed under this contract, as they arise.

## 10. CONTRACT CONTROL PROCEDURES

The Project Authority will ensure the contract will be brought in on time, on budget and of an acceptable quality by regular communication with the Contractor as outlined in section 7.

To ensure a clear understanding of the project scope and project requirements, within ten (10) business days of the contract being awarded the Contractors' Project Manager and any advisors the Contractor deems appropriate will meet with the Project Authority.

The Contractor should direct invoices (outlining the work completed for the given period) on a monthly basis to the Project Authority for review, approval and processing. Payments to the Contractor will be rendered through direct deposit as per the Government of Canada's procedures.

## 11. OTHER TERMS AND CONDITIONS

### 12.1. Authorities

#### FCAC Project Authority

The project managers and contact persons for the services to be rendered under the term of this contract are:

Lisa Goodfellow  
Senior Compliance Officer  
Financial Consumer Agency of Canada  
Phone: 613-852-4004  
Email: lisa.goodfellow@fcac-acfc.gc.ca

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The contractor will receive formal approvals from the Managers of the Supervision and Promotion Branch (Philippe Pellerin, Kevin Thoms and/or Nadia Brault) and/or the Director of Supervision and Promotion Branch (Richard Bilodeau).

## FCAC Contract Authority:

Stéphane Dupel  
Administrative Services Officer  
Financial Consumer Agency of Canada  
427 Laurier West, 6<sup>th</sup> Floor, Enterprise Building  
Ottawa ON K1R 1B9  
613-948-7958  
[Stephane.Dupel@fcac.gc.ca](mailto:Stephane.Dupel@fcac.gc.ca)

## 12.2. Financial Consumer Agency of Canada Obligations

The Project Authority shall provide the following towards the successful completion of the contract:

- Comments on draft deliverables within 10 working days
- Provide access to facilities and presentation equipment for Contractor when presenting to FCAC staff;
- All available documentation on current process maps, informally documented processes and procedures, workflows and related instruments.
- Access to staff with whom the contractor may need to consult with on topics such as;
  - the Supervision Framework and the supervision tools
  - FCAC policies associated with the Framework
  - previous research or existing process maps
  - the FCAC regulatory mandate
  - roles and responsibilities at FCAC
  - software used by FCAC related to the processes
  - examples of typical workflows
- Provide other assistance or support as needed based on an email request.

## 12.3. Contractor's Obligations

The Contractor will:

- The contractor will create a detailed project plan to accomplish the required work and deliverables within the set timeframes for each task authorization
- The contractor will ensure sufficient resources and the appropriate specialists are available to deliver within tight timeframes
- Keep all documents and proprietary information confidential;
- Provide all services as outlined in this Statement of Work;
- Participate in video or teleconferences, as needed;
- Attend meetings at FCAC's offices where and when required;
- The contractor shall use its own equipment and software for the performance of this Statement of Work;

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- Provide weekly (or other agreed upon frequency) activity reports and/or status updates to the Project Authority
- The contractor shall provide a timesheet detailing the work accomplished during each month;
- The contractor will ensure adherence to the established conflict of interest clause (to be attached to the contract)
- The contractor will complete all work to the satisfaction of FCAC.

## 12.4. Location of Work, Work site and Delivery Point

- The majority of work will be undertaken off-site.
- Occasional visits to the FCAC offices in Ottawa will be required and are addressed below. Frequent video conferences will be required.
- Travel will require advance approval by FCAC. Payment for travel and living expenses shall be made in accordance to the terms of payment and the Treasury Board Travel Directive.

## 12. LANGUAGE OF WORK

The primary language of communication will be English. All presentations, notes and deliverables will be in English.

## 13. SECURITY REQUIREMENTS

It is a condition that, prior to performance of any work, the Contractor and sub-Contractors and their employees assigned to the performance of such contract will be security cleared by the federal government at the reliability level.

## 14. INSURANCE REQUIREMENTS

The Contractor shall obtain and maintain any appropriate insurance coverages.

## 15. CONFIDENTIALITY

The Contractor is required to ensure all information received through this contract is kept confidential. The Contractor is required to return all information obtained through this work to FCAC.

## 16. REQUIRED RESOURCES OR TYPES OF ROLES TO BE PERFORMED

During the RFI solicitation period, FCAC will be asking bidders to highlight all professional services categories under TSPS that they believe would be beneficial to FCAC in accomplishing the overall scope.

We will ask bidders to provide additional information regarding categories, levels, years of experience and relevant certification for each resource category bidders are



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suggesting be added to this section. Note that the required resources will be fully updated when the RFP is launched at a subsequent solicitation period.

17.1 Contractors resource(s) will require the expertise to:

- Recommend the best manner (i.e. method or software) to deliver/present the online suite of policy, processes, procedures and supporting instruments for FCAC's internal use. Outcome must be high impact, user friendly, clear and add value to daily work of employees.
- Review and analyse existing business processes, identify opportunities for improvement, challenge existing processes and procedures and make recommendations.
- Gather information on undocumented business processes (i.e. undocumented norms for certain work flows), identify opportunities for improvement and make recommendations.
- Review and analyse new supervision tools that do not have any existing workflows, gather information on the intended policy, background, possible processes and procedures for the new tools and work with FCAC (lead brainstorming meetings with subject matter experts and make recommendations) on the new processes and procedures.
- Document the updated policies, processes and procedures for the activities/tools described in the Supervision Framework in a professional easy to follow manner
- Collect requirements, make recommendations develop or assist in the development and or updating of the supporting instruments as needed.
- Make recommendations on any opportunities to improve effectiveness and efficiency and challenge the traditional thinking and processes
- Provide advice and recommendations on developing and integrating a comprehensive set of processes and information to eliminate redundancies ultimately leading to improved operational performance

Contractor should have the following professional services available (requirements will vary based on the TA):

- Business Analyst : Certified IIBA with minimum 10 years experience revising existing processes and procedures and creating new processes and procedures that are user-friendly and useful for the user

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- Business process consultant: Minimum 5 years experience in reviewing and analysing existing processes, recommending changes to existing processes, planning new processes and providing advice for new tools/activities to deploy high impact processes that are focused, accountable and measurable, suggesting recommended course of action to eliminate process and information redundancies, documenting workflow and identifying and recommending automated processes to improve efficiency
- Business Consultant
- Change management consultant
- Needs analysis and research consultant
- Business architect
- Statistical Analyst
- Performance measurement consultant
- Facilitator consultant
- Quality Assurance Specialist
- Risk management Specialist
- Technical Writer
- Data Analyst
- TBD based on RFI

## 17. APPLICABLE DOCUMENTS/GLOSSARY

- The FCAC [Supervision Framework](#) describes all of the supervision tools and policies referenced in this document.
- FCAC: Financial Consumer Agency of Canada
- SOW: Statement of work
- Framework: Supervision Framework

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## Appendix A: Supervision Tools/Activities that require Process and Procedures

**Action:** Clearly document processes and procedures (e.g. workflow, who does what, when, who approves, create applicable service standards and quality control measures) for the following Supervision tools or activities. A full description of each tool (i.e. the FCAC policy) is contained in the Supervision Framework:

### Phase1

#### 1. Classification of Regulated Entities

- This is a new supervisory tool so FCAC does not have a documented workflow for this activity.

#### 2. Market conduct profile cyclical process (for Tier 1 regulated entities)

- This is a new supervisory tool so FCAC does not have a documented workflow for this activity.

#### 3. Mandatory Reporting

- Process maps already exist for statutory filing and self-assessment questionnaires but should be reviewed and updated, as required. Informal processes/norms exist for other mandatory reporting.
- Potential supporting instruments include the review and possible enhancement of trend analysis reports using complaints data from various sources.

#### 4. Investigation

- Document the process and procedure to notify the regulated entity when a full investigation has commenced/compliance report is likely to be written. This process must clearly document the beginning of a legislative 2-year limitation to issue a Notice of Violation and communicate that date to the regulated entity.
- A process map already exists for this process but must be reviewed and updated. The Framework also makes a distinction between preliminary investigation and investigation however the existing process map does not. The 2-year trigger will likely be revamped.

#### 5. Selection of Enforcement Tool and Notice of Breach

- Existing process maps exist however this process will be revamped. After the investigation process, FCAC determines its response to the breach and selects which enforcement tool will be leveraged to respond to the breach.

#### 6. Notice of Breach

- Existing process maps exist; however, the tool has been revamped.

### Phase 2

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## **7. Rulings**

- This is a new supervisory tool so FCAC does not have a documented workflow for this activity.

## **8. Guidelines**

- Existing process maps exist however this process will be revamped.

## **9. FCAC Decisions**

- Existing process maps exist however this process will be revamped.

## **10. Examinations**

- Existing process maps exist however this process will be revamped.

## **11. Third Party Intelligence**

- Existing process maps exist however this process will be revamped.

## **12. Industry Reviews**

- Existing process maps exist however this process will be revamped.

## **13. Proceedings**

- Existing process maps exist however this process will be revamped.

## **14. Compliance Agreement and Action Plan**

- Existing process maps exist however this process will be revamped.