

Questions and Answers – Document 1

	Question / Comment	Answer
1	In order to properly define the entities in the <i>RG cheque image exchange process flow</i> diagram, on page 8 of 20 of the request for information, Financial Institution “A” can be any bank, right?	Yes, that’s right.
2	In the <i>RG cheque image exchange process flow</i> diagram, on page 8 of 20 of the request for information, is Processing Centre “A” the processing centre for that bank? Is it the processing centre where the paper cheques that are received are cleared?	Yes, that’s right.
3	In the <i>RG cheque image exchange process flow</i> diagram, on page 8 of 20 of the request for information, is the service provider identified to the right of the diagram the contractor that will be required to respond? In other words, is it the service provider that will be responsible for processing the cheque images and files that will be sent by all the various financial institutions?	Yes, that’s right.
4	The <i>RG cheque image exchange process flow</i> diagram, on page 8 of 20 of the request for information, identifies the <i>RG cheque processing environment</i> . Is that your cheque processing centre for Receiver General cheques?	Yes
5	<p>In relation to the <i>RG cheque image exchange process flow</i> diagram, on page 8 of 20 of the request for information, we would like to validate our understanding of the process.</p> <p>Our understanding is that the Receiver General issues cheques to Canadians, who then cash the cheques in different financial institutions. So regardless of the financial institution in which a cheque is cashed, the idea behind your requirement is that the Contractor (the service provider) will be able to receive images of the cashed cheques. So once Institution “A” has processed the cheques, i.e. has cleared and sent them, it will then send the Contractor an image file containing the images of the cheques that have been deposited in its institution?</p>	Yes, that’s right.
6	<p>In order to electronically exchange cheque data and images between the service provider (the Contractor) and financial institutions, the service provider will need to have bilateral agreements with all the financial institutions.</p> <p>Who will be responsible for negotiating the bilateral agreements? Will it be up to the Contractor and each of the financial institutions? Or will it be the Receiver General that will negotiate the bilateral agreements, with the Contractor simply being the technology platform for processing the files?</p>	It will be the responsibility of the Receiver General to negotiate bilateral agreements with the financial institutions. The Contractor will be solely responsible for processing the files.

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7	The files to be exchanged must comply with CPA standards, under Payments Canada Standard 015. However, we did have questions about your expectations in terms of connectivity. In your requirements, could you specify which network the financial institutions will have to go through? Will the exchanges have to go through the CPA network, or is it open at that level?	The exchange method has not yet been determined. It will be determined later.
8	Ultimately, image and data exchanges will be between the service provider and the financial institutions. So do you have security standards in terms of connectivity?	Yes, there will be security standards. These standards will be established later.
9	For your information, according to CPA standards, it would be possible to use their network, which is secure. Their secure network could be used by all financial institutions to exchange electronic image files. The CPA also allows for bilateral agreements to negotiate “point to point” connectivity. So this could be an option for the type of connectivity that will be used.	The type of connectivity has not yet been determined. It will be determined later.
10	<p>In relation to the <i>RG cheque image exchange process flow</i> diagram, on page 8 of 20 of the request for information, once the file has been sent by Financial Institution “A” and has been received by the service provider, do you expect the service provider to complete all types of file processing? Aside from validating the file format and image quality, do you expect the service provider to make corrections or adjustments? Is that part of your requirements?</p> <p>Corrections and adjustments could involve correcting different amounts, for example, if the value of the cheque is recognized as different from what the financial institution has reported. Also, does the CFN need to be present and validated?</p>	That will be a point to be determined later, because the requirement has not been fully clarified on our side. The CFN (cheque form number) is required, but we know it creates some processing problems when the CFN has not been encoded correctly. We do not think it would be possible to reject all of these items for that reason, since this would result in a fairly large number of rejections, which are not actual rejections. This will need to be clarified in the RFP.
11	In the Payments Canada rules, there are certain fields that are not re-qualified when they come from another financial institution. In fact, it is either when these fields are misread or absent. If a financial institution receives a blank field in a file, that is to say that there is an institution number but no CFN, do you intend to ask the service provider to enter that number for the Receiver General, in order to facilitate integration into your reconciliation? Will it be possible to detect the blank field and with an agreement with the RG to re-qualify it? Or will the RG take care of that on its side? We believe this would be a point to be clarified in a RFP.	Thank you for your comment.

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12	<p>To validate our understanding, we would like to know what the notification mechanisms will be between the service provider and the issuing financial institution. According to CPA standards, the format and quality of the image must be validated and when the file format is not correct, a rejection notification must be sent to the financial institution.</p> <p>There is an entire process that will need to be put in place between the service provider and the issuing financial institution so it can resend the file in the right format, and if there are a number of images exceeding the rejection threshold, at that point another file must be sent with the proper image quality. So this is part of the process that needs to be put in place.</p>	<p>Yes, that is already in the request for information. There is a section (A.7.5, point #5) that refers to the rejection threshold.</p>
13	<p>Once the file has been validated and the image quality has also been validated, you expect these images to be archived. Do you also expect that access to those archives will be given to you, in order to view the images, print them, etc.?</p>	<p>Yes.</p>
14	<p>For access to the archives, we would like to know if you have any idea of the number of users who will need access to the archives and the system, as well as an idea of the number of queries that will be made, how often and by whom.</p>	<p>The project is still currently under development. We are not sure how many users with access we will want to have. The transaction volume is not yet clear either. That is something we will have to look at, because it is information we do not have at this time.</p> <p>What we can say is that currently in Matane, there are about 30–40 employees in the cheque processing group. However, we have not yet determined how many of them will require access, as well as how often they will need to access the images.</p>
15	<p>The way we have imagined your requirement for access would be to develop and make available a web application accessible via the Internet, with search criteria and branding. Would there be branding from the Receiver General? Is that level of detail relevant and established at this point in the process?</p>	<p>No, it has not yet been determined. Our requirement is for in-house software, but in fact we do not really know yet. Branding could be an option, yes.</p>
16	<p>To be more specific, are you going to allow web access, or are we to deliver access or an interface to you?</p>	<p>This will depend on the security criteria. There will be two potential user groups. The first would be our internal employees. There is also a possibility in the future of access by other departments. For example, an employee from another department who has issued a cheque could verify the cheque that has been issued. However, this has not yet been determined.</p>

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17	We have a question about what you just said; when you say another department, do all departments issue cheques?	All departments issue their cheques through the Receiver General. That being said, it is each department's responsibility to issue payments. So, for example, if a recipient indicated that he or she did not receive a cheque, the department in question could access the images to verify whether the recipient had in fact signed and endorsed the cheque—and things like that.
18	So, if other departments other than the Receiver General have access to the archives, are they able to see the whole archive, or do we have to start managing categories of users?	<p>Since many issues are connected to this one, we are unable to answer your question at this time. This information will be determined later.</p> <p>However, a department other than the Receiver General would not have access to see cheques issued by other departments. So everything would be separated.</p>
19	It could be difficult for the service provider to manage this kind of access.	Yes, it could also be difficult for the Receiver General.
20	Your cheque numbers all have CFNs so you would practically have to know which department the first three or four numbers refer to, or at what rate they are issued. The service provider would need criteria to be able to manage the categories.	
21	<p>Regarding access to the archives, would it be possible to specify the target hours? Do you have employees across Canada, working in different time zones, who would need to access these archives?</p> <p>Do you want these archives to be accessible solely during office hours, or also outside of those hours? Would those employees need to have access to the archives on weekends or holidays?</p> <p>The reasoning behind this question is that the service provider must plan maintenance and, given the large volume of the archive, maintenance would also be done to maintain the archives effectively.</p> <p>The service provider will need to know when maintenance can be done.</p>	At the moment, workers who need access to archives have fixed schedules within the Eastern Canada time zone. However, this information will be clarified later.
22	On page 11 of 21 of the [French] request for information, there was a requirement regarding the length of time that the archives will be retained. Could you elaborate on this, given that you ask that the archive be kept 7 years from the date the image was last consulted?	The retention period for images is 7 years. It is calculated on the basis of the last time the image was accessed. For example, if someone accessed the image during an investigation, it would be from that date that the 7 years would be calculated.
23	So, if in the 3rd year of retention, someone consults the image, we start the 7-year retention period over again from that date?	For that image, yes.

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24	Is the 7-year period a minimum, or could the period be more than 7 years? Do the 7 years represent an obligation that must be met? To simplify the solution, could there not be a date? Is there an issue if the image duration exceeds 7 years?	That will be clarified later. However, our intention right now is to destroy the image in the 7th year after it was last consulted.
25	So to get back to the process, our understanding is that once the images have been archived, we have to prepare and send you a file in a manner specific to the Receiver General. In fact, our understanding is that there are two types of files, files containing the cheque details and files containing the total. Is that correct?	Yes.
26	The file format is really a format specific to the Receiver General in relation to your applications, and not according to the rules of the CPA, right?	Yes, it is a format that is specific to the Receiver General.
27	Each time we receive an ICP file, do we have to use it to create a file for the Receiver General's application, or will we receive a file containing several ICP files? How do you see the transfer occurring?	For the moment, what has been specified in the current request for information is that this will be negotiated with the service provider. We believe that we will demonstrate flexibility on this aspect.
28	Next, to transfer this file, in terms of connectivity, what channel would it pass through? Must it pass through a specific secured network so that the service provider can send you the file? What is your vision about this?	That has not yet been decided. The connection must indeed be secured. Ideally, we would like to use the same network that currently exists, insofar as that is possible, but that has yet to be decided. It will be specified at a later time.
29	When you say the same network that is currently being used, what network are you referring to specifically?	We do not want to implement a new network just for that specific requirement. Perhaps we will use another system, but we also have the CSN, which is currently used for exchanging items for direct deposit, which could be a good choice. Nevertheless, this information has not yet been decided.
30	So, our understanding is that the network that will be used could be the CSN or another system.	Yes, that is correct.
31	With regard to the end-of-day report, the financial institution will issue it to the service provider at the end of the day. The report will specify the number of files that the service provider should have received. So, regarding your requirements, our understanding is that you will expect us to send you this report, which we will have received from "Institution A," at the end of the day.	Yes.
32	Will the Receiver General undertake the processing of this report?	No, the processing will be done by the two sectors that are specific to the Receiver General. The end-of-day reports are for verification purposes only; to ensure that nothing was lost during transmission and that there are no forgotten items. The end-of-day reports serve auditing rather than processing purposes.

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33	Just to be clear, you expect that in the end-of-day reports, the financial institution mention the number of files that the service provider sent to the Receiver General, right? Or is it the number of files that the financial institution sent to the service provider?	In theory, it's both. What you will have sent us, as well as to which financial institution the files belong, will be indicated in the ICP files. It will all be validated at a later date. However, the end-of-day reports are really just for validating what you have sent and received. They're for auditing purposes, to make sure that nothing was missed.
34	So, you will receive the files prepared by the contractor and containing the cheque details, and using those files and the information from the cheques that have been issued, you will reconcile what has been issued with what the financial institutions claim as reimbursements from you.	Yes, that is correct.
35	In relation to the <i>RG cheque image exchange process flow</i> diagram, on page 9 of 21 of the [French] request for information, there is an arrow that goes from the <i>Bank of Canada</i> to <i>RG cheque processing environment</i> , so number 7. That too is a reconciliation. So, our understanding is that when Financial Institution "A" sends its ICP files and the service provider responds with an acknowledgment of receipt indicating that the file has been accepted, then the service provider will make an entry in the ACSS.	Yes.
36	Next, according to the <i>RG cheque image exchange process flow</i> diagram, on page 8 of 20 of the request for information, the Bank of Canada will send this information to the Receiver General, which will reconcile what has been entered in the ACSS with what was processed by the service provider, right?	Yes, that's right.
37	Is the reconciliation process something that has already been established, or can the service provider suggest a new way of conducting control? At the process level, to facilitate reconciliation, could this validation be conducted by the service provider? We would like to know whether there is any openness to this, or whether it is something that you have already established.	We already have that process in place, and our intention was not to change it. You have the option of submitting a proposal, but for the moment our intention is to keep our existing processes.
38	In a proposal, we can therefore set out the advantages and disadvantages of this process. That could give you an idea about which position you would like to take afterwards.	Thank you. However, please note that we are trying to implement these changes using our current systems, because we are trying to reduce the impact on our systems. Changing the processes would increase our risk and the investments required from the Receiver General.
39	Our understanding is that the processing at the Receiver General level involves reconciliations, adjustments, preparing the items to be returned and the additional adjustments that you will send to the <i>Bank of Canada</i> . So, it is the <i>Bank of Canada</i> that is responsible for subsequently distributing them to the different financial institutions?	For the adjustments, yes.

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40	<p>We have the same questions regarding this process as for the reconciliation process, namely whether a process currently exists. We understand that you would like to minimize the impact on your processes and systems, but could we also make a proposal in this regard? Is there any flexibility on this?</p>	<p>Yes, there's no problem with a proposal. Respondents are requested to provide comments, concerns, suggestions and, where applicable, alternative recommendations regarding how the requirements or objectives described in this RFI could be satisfied or improved upon by completing the Annex B - Questions and Information Requests.</p>
41	<p>Our next question has to do with the last paragraph of page 16 of 20: <i>"The Contractor must ensure that the ACSS Cycle Date matches the date of the redemption claim that has been entered into ACSS by the negotiating direct clearer for the items included on the RG Item Details File. The file layout contents have been described based on the assumption that there will be one (1) RG Item Details File and one (1) corresponding RG Tray Summary File transmitted from the Contractor to the RG each business day. The number of files per day, the number of items per file and the file naming conventions will be negotiated at a later date. The RG may request amendments or revisions to the file layouts during the contract period, the implementation timing of any such modifications will be negotiated with the Contractor."</i></p> <p>We want to clarify, because it states that the redemption claim is entered <i>into ACSS by the negotiating direct clearer for the items included on the RG Item Details File.</i></p> <p>So, we are wondering whether this verification must be done by the service provider. That raises the question as to whether the service provider must conduct this verification, it would require authorization from the Bank of Canada to access the information in the ACSS. The access should therefore be delegated.</p>	<p>You are right, it cannot work that way. Thank you for your comment. We will need to revise this in the future, so that the service provider does not need to have access to the ACSS.</p>

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CPA – Canadian Payments Association (now Payments Canada)

CFN – Cheque Form Number

CSN – CPA Services Network

ICP – Image Captured Payment

ACSS – Automated Clearing and Settlement System