The complete and official copy of this Addendum #2 to Request for Pre-Qualifications (RFPQ) #2020-2558 can be found at no cost at Buyandsell.gc.ca

QUESTIONS AND ANSWERS
ADDENDUM #2

01 31 2020   RFPQ #2020-2558

1. Title   Responses to Questions 5 – 26
                       Addendum #2

2. Requests for   The following questions and answers are added as an addendum to CDIC RFPQ
Clarification   #2020-2558

Q5.   *RFPQ Section1.2, Page 3 - Expected Solutions - Can CDIC provide a perspective on expected volumes that the solution should expect? In particular should the solution be designed to support multiple member institutions failures within the same timeframe (multi-tenant)?*

A5.   CDIC requires the ability to support multiple failures involving insurance payouts, within the same timeframe.

Q6.   *RFPQ Section 1.2, Page 4 - External Assistance - For work ongoing now has CDIC engaged external assistance? If yes how does that 3rd party influence the RFI and roles requested?*

A6.   CDIC currently has arrangements with other third-party providers. In particular, some third party supported work is underway to refine CDIC's target state technology architecture, and to support establishing the Payout Modernization PMO. This work is separate from this RFPQ and subsequently planned RFP, and will be completed prior to the target start date of the Vendor(s) to be selected through this process. There is no third-party involvement or influence in the RFPQ and planned RFP, other than procurement and legal support.

Q7.   *RFPQ Section 1.2, Page 4 - Compliance Testing - Would CDIC be expecting the selected vendor(s) to support the Compliance Testing Phase (3rd bullet)? If so, what would be the expected scope of responsibility?*

A7.   The Compliance Testing initiative is currently underway, and because of the timing of legislative requirements, aspects will be implemented through enhancements to current systems. The new solutions, when they are available, will need to accommodate Compliance Testing requirements, and will likely enable refined and expanded functionality. Vendor support will likely be needed to incorporate Compliance Testing requirements into the design and development of the new Depositor Data and Payout Hub modules. Refer to the second bullet point of Section 4.2.1.

Q8.   *RFPQ Section 2.1, Page 7 - Public Holiday (Feb.17) - Can the deadline for submissions be extended to Feb 20 at 6pm as Feb 17 is a provincial holiday?*

A8.   The deadline for submissions is moved to February 18, 2020, at noon EST.

Q9.   *RFPQ Section 2.4, Page 8 - Submission - Are there size or other limits we should be aware of for submission?*

A9.   Refer to the answer provided to Question 3 in Addendum #1.

Q10.   *RFPQ Section 4.1, Page 12 - Environment Specifications - Can CDIC share the specifications for Data Landing Zone, DVA, ROADMAP Customer Portal and ICE environment?*

A10.   These are legacy systems which will be replaced by new solutions through Payout Modernization. High level descriptions are provided in Section 4.1. Specifications for these legacy systems are not relevant to this RFPQ. More details on requirements will be provided in the subsequent planned RFP.

Q11.   *RFPQ Section 4.1, Page 12 - Cheque Processor - Is the third party that prints and mails cheques in a long-term contract with CDIC or have any additional involvement that should be considered?*

A11.   The contract with the current third-party organization for printing and mailing cheques expires at the end of November 2020. This organization also does other bulk printing for CDIC. Status quo arrangements will continue until new solutions are in place.

Q12.   *RFPQ Section 4.1, Page 13 - API Layer - Can CDIC clarify why the broker and trustee information comes through the API layer as well as the member institution?*

A12.   For deposits made by Brokers/Trustees acting as nominee for their clients, the client specific record keeping is done at the Broker/Trustee level, not at the level of the Member providing the funds. Currently, in the event of the failure of a Member, for funds held in nominee form, CDIC interacts with both the Member and the Broker/Trustee (based on Member beneficiary records), and remits funds to the Broker/Trustee, with instructions to reimburse the Broker/Trustee clients/beneficiaries. This process is to be modernized, with Nominee Broker/Trustees required to demonstrate compliance with CDIC data requirements, and to be in a position to submit data on beneficiaries directly to CDIC. This data transfer is planned to be API-based. Where Members hold data directly in the client name, they will submit data to CDIC in one of two ways: via the current SFTP process, or via API-based data transfer.

Q13.   *RFPQ Section 4.1, Page 13 - Cloud Hosting - Is the expectation that all the components of the future state will be housed in the cloud and resident in Canada?*

A13.   The plan is for much of Payout Modernization functionality to be hosted in the cloud and resident in Canada, but details are to-be-determined. The overall technical

architecture is currently being worked on, and more specific information will be provided in the planned RFP.

Q14. RFPQ Section 4.1, Page 13 - Customer Statements - Where will customer statements be created and made accessible?

A14. This will depend on the final design of the Payment Gateway and Customer Portal. Customer insured amounts will be driven by calculations in the Payout Hub. The Payout Gateway will produce payment files and for some payment types will include statement information (via Payments Canada ISO 20022 standards). The Customer Portal will include statement information for direct access by insured depositors as part of overall status information. Detailed requirements and design elements for this functionality will be developed with the support of the selected vendor(s).

Q15. RFPQ Section 4.1, Page 13 - Schematics - Can CDIC explain if there is any significance in the different colours on the current and future state architecture?

A15. For the purpose of the RFPQ, the different colours in the schematics in Section 4.1 have no meaning other than as visual enhancements.

Q16. RFPQ Section 4.1, Page 13 - Consumer Portal - Is the expectation that all consumer portal interactions be implemented on Salesforce?

A16. Salesforce is currently implemented and is a candidate for delivering Customer Portal functionality, but the final decision is to-be-determined and will be based on the best fit for the Payout Modernization requirements and the overall solution architecture.

Q17. RFPQ Section 4.1, Page 13 - Reporting Systems - Can CDIC clarify if there are additional or existing reporting systems or software that would be required to implement or integrate into?

A17. There are a number of potential systems that the main Payout Modernization modules may interface with, primarily by providing data. CDIC has other systems for monitoring and modelling potential Member issues, for calculating premiums, and for modelling risk. The Payout Modernization modules will likely provide enhanced data to these systems, and may provide some functionality to support other areas within CDIC. All of this is to-be-determined as Payout Modernization moves forward.

Q18. RFPQ Section 4.1, Page 13 - Payment Processor - Does CDIC already have a preferred Payment Processor or does the assessment need to be included?

A18. CDIC does not have a preferred Payment Processor. The selection will be driven by the Payout Modernization project.

Q19. RFPQ Section 4.1, Page 13 - Data Security Standards - Due to the nature of payments processing can CDIC confirm that PCI DSS 3.0 (or greater) is required for the solution?

A19.   The Data Security Standards for the Payout Modernization solutions are to-be-determined.

Q20.   RFPQ Section 4.2.1, Page 14 - Schematics - Can CDIC explain if there is any significance in the different colours on the work streams?

A20.   For the purpose of the RFPQ, the different colours in the schematic in Section 4.2 have no meaning other than as visual enhancements.

Q21.   RFPQ Section 4.2.1, Page 14 - Service Providers - What are the roles of the 3 service providers specified in workstream 2: Industry Alignment and how do they interact with CDIC's future state solution?

A21.   These three service providers are used by most Members to manage depositor data. CANNEX is a financial exchange platform though which the majority of GIC deposits are transacted between Nominee Brokers and CDIC Members. IFDS and SIT (now called Portfolio+) are both data service providers used by many CDIC Members to manage a variety of depositor data. Because Payout Modernization will result in changes to the type of depositor data required, the means of transferring and accessing the data, and the frequency of data exchange, future solutions must take into account existing and planned Member capabilities, in a large part dictated by the systems/services they use, including these three which are used by many of CDIC's Members and Nominee Brokers.

Q22.   RFPQ Section 4.2.1, Page 14 - Access to Data Extracts - Under workstream 3: Depositor Data what does "on-demand access to date extracts" mean?

A22.   This refers to the ability of CDIC to request and receive depositor data on short notice, and to have the ability to access, extract and manipulate this data as required by CDIC.

Q23.   RFPQ Section 4.3, Page 15 - Scoping - Are there specific areas within the program that CDIC does NOT require vendor involvement so that responses to requirement H, question 3 is appropriately tailored? For example, should vendors assume resources are required to support all work streams, and consequently provide resource profiles for each of the 6 work streams?

A23.   As described in Section 4.3, based on initial planning, CDIC anticipates some level of Vendor support across all the streams of Payout Modernization.

Q24.   RFPQ Section 4.3, Page 16 - Internal & External Dependencies - Can CDIC share known dependencies within the program as well as any external to CDIC?

A24.   The major internal dependencies include aligning with the initial phases of the Compliance Testing initiative, which requires changes to support complying with the

new Data and Systems Requirement (DSR 3.0) and Nominee Broker Data Requirements (NBDR) specification coming into effect as of April 30, 2021, and an overall requirement to maintain operational capabilities throughout the initiative. External dependencies are driven primarily by the major stakeholders, including Members, Nominee Brokers/Trustees, and regulatory bodies including IIROC, MFDA, OSFI, and the Bank of Canada.

Q25. *RFPQ Section 5.1, Page 20 - Agile Training -Does CDIC provide agile trainings for staff members or should the Vendor provide the required services?*

A25.   CDIC has resources which provide Agile training to CDIC staff.

Q26. *In reviewing the recently released CDIC Payout Modernization RFPQ, we have the following question with regards to the SOC 2 Type 2 Certification Requirement listed in Part (e) under Section 1.5 Summary of Qualifications Important to CDIC's Payout Modernization Initiative: Mandatory Qualification: Evidence of effective policies, procedures, controls and related staff training to ensure secure treatment of data, processing integrity, and appropriate treatment of confidential and private information. SOC 2 Type II certification or evidence of equivalence is required. As a Salesforce partner, xxx performs Salesforce integration services. Salesforce has a SOC 2 Type II certification. Since IT security is managed by the platform (Salesforce), can we meet this requirement by stating that Salesforce has a SOC 2 Type II certification?*

A26.   As per Section 1.3, CDIC is looking for Vendors qualified to support all aspects of Payout Modernization, not just individual components such as Salesforce customization (Salesforce is a candidate platform for the Customer Portal, but that decision has not been finalized). For this Mandatory Qualification, the Vendor must demonstrate it has effective policies, procedures, controls and related staff training to ensure secure treatment of data, processing integrity, and appropriate treatment of confidential and private information across all aspects of Payout Modernization.

All other terms and conditions of the RFPQ remain unchanged.