

**QUESTIONS AND ANSWERS  
ADDENDUM #5**

02 11 2020

RFPQ #2020-2558

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- 1. Title** Responses to Questions 44 – 77  
Addendum #5
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- 2. Requests for Clarification** The following questions and answers are added as an addendum to CDIC RFPQ #2020-2558
- Q44. Due to the Family Day holiday on February 17th, is there an opportunity to extend the deadline by one business day to February 18th?**
- A44. Refer to the response to Question 8 in Addendum #2. The deadline for submissions is moved to February 18, 2020 at noon EST.
- Q45. Does CDIC consider ISO 27001 as an acceptable equivalent to SOC 2 Type II?**
- A45. ISO/IEC 27001 certification would be considered as equivalent to SOC 2 Type II.
- Q46. With regard to Evaluation Requirement a) 3. – Would CDIC be willing to remove the following words: “overall growth over the 5-year period must be at least 30%”.**
- 30% is a significant level of growth, especially for the larger IT companies where even small growth of 5%-10% represents 10’s of millions of dollars. As well, acquisitions can just as easily and dramatically escalate revenue growth, yet on the downside, also increase debt and dilute share price, which can be destabilizing. However, a company showing a record of sustained growth and profitability or earnings per share (EPS) over the past five years should provide CDIC with strong confidence about the governance of a potential company that CDIC can partner with. Instead of 30% growth over the past 5 years would CDIC, instead, consider the following as sufficient: “evidence of sustained growth in profitability or earnings per share (EPS) over the past five years”?*
- Alternatively, removing this component as a mandatory and making it rated instead would enable CIDC to maintain the rating as a preference but avoid disqualifying potentially strong companies from participating in the RFP.*
- A46. CDIC will change the Mandatory Qualification in Section 5.1 a) 3 to a rated qualification. Vendors are still to respond to this item, and the response will be rated, but it will not be a mandatory qualification item. This change effects response point 5.1 a) 3 only.
- Q47. With regard to Evaluation Requirements d) 2., h) 2. And o) 2. – Professional Fees, could CDIC please confirm that it is acceptable that Respondents do not provide**

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***“professional fees” in their response? This information is commercially proprietary in nature. What’s more this is considered confidential information in many of our contracts and prohibited from use or reference in proposals.***

A47. Indicating the size of the Vendor involvement is necessary as part of these response items. Using a fee range instead of exact fee amounts would be acceptable, as would using person-days or some other proxy that would indicate the size of involvement.

***Q48. For the key resources to be identified, would CDIC consider limiting bidders to resource profile summaries of less than 2 pages in order to reduce the size of proposals?***

A48. Refer to the response to Question 3 in Addendum #1.

***Q49. Will the information/outputs (e.g. architecture, project governance, communication strategy, etc.) already being developed by CDIC be shared with the RFPQ participants in a timely manner to help shape their approach to ensure alignment?***

A49. As described in Sections 1.2 and 4.2, some work is progressing while this RFPQ is being administered. Additional information will be provided as part of the Request for Proposals process as described in Sections 1.3 and 1.4.

***Q50. Please confirm this RFPQ is targeted towards professional service providers or is there an expectation that the vendors provide all of the services/products/technology required for the Payout Mod program? Is CDIC open to alternative arrangements?***

A50. As outlined in Section 1.3, CDIC’s objective is to enter into a collaborative relationship with one or more Vendors with capabilities to support all aspects of Payout Modernization over its multi-year timeframe. This RFPQ process is intended to identify Vendors with the qualifications to meet this objective. CDIC reserves the right to consider alternatives, and if it does, CDIC’s intent is to do this as part of the RFP process with Vendors that qualify through this RFPQ process.

***Q51. If there is a separation of technology providers vs professional service providers, could CDIC share their list of technology vendors considered for implementing their target state (e.g. Customer Portal = Salesforce, Payments Gateway = ?, etc.)?***

A51. Refer to the response to Question 50 above.

***Q52. Is there an opportunity to redesign the strategy, architecture, target state that is already being developed by CDIC if an alternative approach/design is available?***

A52. The Payout Modernization initiative is in its early stages, and it is expected that initial views on strategy, architecture and the target state will evolve over the multi-year life of the initiative. Vendors that prequalify through this RFPQ process and who are

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ultimately selected via the subsequent RFP process would be expected to provide insight and guidance to this evolution, and provide alternatives if there are strong arguments to consider shifting direction.

**Q53. Will a separate RFP be issued for post-production support?**

A53. Yes, refer to Section 4.3.

**Q54. Who is CDIC's primary bank in Canada for processing the payouts?**

A54. Currently, payouts are done by paper cheques mailed to insured depositors. A third-party service provider is used to support the printing and mailing of cheques. The go-forward service provider(s) for processing payments will be selected as part of the project once detailed requirements and processes have been determined. CDIC's current banking arrangements are not relevant to this RFPQ.

**Q55. Who is CDIC's current 3rd party payments processor? Does CDIC intend to keep the relationship?**

A55. Refer to the response to Question 11 in Addendum #2. The name of the current service provider for printing and mailing cheques is not relevant to this RFPQ.

**Q56. Does CDIC have 3rd party partnering restrictions?**

A56. No, other than potential criteria based on business and security reasons.

**Q57. Can you please elaborate on the vendor scope for "Steady state third party arrangements". E.g. 1. Does CDIC foresee changes to third parties in the future state? 2. Will the vendor be expected to leave or manage the third parties or will CDIC manage the relationships during the solution development as well during the ongoing support phases?**

A57. Refer to Section 4.3. CDIC intends to enter into arrangements with one or more Vendors to provide support for all facets of Payout Modernization over its 3-4 year timeframe. The scope of this work will include all activities up to until the point of steady-state operations. Separate contractual arrangements will be made at a later date to operate and maintain the systems, which may involve the same or different Vendors.

**Q58. Is data migration of existing/old depositor data to Cloud in scope?**

A58. No.

**Q59. What are the current data issues with Member Institution (MI) and Nominee Broker (NB)?**

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A59. Refer to the response to Question 34 in Addendum #4.

**Q60. Will CDIC provide a business team to work with the vendor team to define data structure, interface standards, third-party data flow and interfaces?**

A60. Yes.

**Q61. Will CDIC provide a business team to work with the vendor team to validate the audit, regulatory, compliance requirements and review the design and solution?**

A61. Yes.

**Q62. What are the existing fraud detection and prevention processes in place at CDIC? What are the challenges (if any) with these processes?**

A62. The current systems and processes for processing payouts relies on data provided by Members/Nominee brokers, with no additional active fraud detection functionality – existing processes rely on authentication only. Active fraud detection and prevention coupled with enhanced authentication will be part of the requirements for the future state, with details to-be-determined.

**Q63. What are the existing tools being used for Data compliance, Data Security, and Data Verification? Have any tools been identified for future use or is the vendor expected to recommend the tools?**

A63. Alteryx is used as part of the current solution for data verification. Data access security is currently managed through role-based ACL at the SQL Server level, using AD domain accounts. All of this is open for re-design and replacement through Payout Modernization, and the selected Vendor(s) is expected to be part of these decisions.

**Q64. Does CDIC has any legal/regulatory constraints with hosting Depositor Data Vault on public cloud infrastructure (like AWS or Azure)?**

A64. All data must reside in data centres within Canada. Any cloud hosted solution must be compliant with Government of Canada Protected B level information safeguards.

**Q65. Will the existing logic/systems be leveraged for data validation, aggregation and insurance calculations, or is an entirely new system required to be developed?**

A65. Existing systems will likely be replaced, but existing logic and rules for data validation based on the recently updated CDIC data standards DSR 3.0 and NBDR (refer to Section 4.2.1), and existing logic for insurance calculations will form the basis for part of the specifications for new systems.

**Q66. Will the Payment Gateways be hosted by CDIC or is 3rd party integration expected?**

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A66. CDIC expects the Payment Gateway to be hosted in a private cloud environment, along with other Payout Modernization applications. Specifics are to-be-determined.

**Q67. We understand from the RFQ that the Depositor Data stream, Compliance Testing framework and services is being worked upon. Similarly, are there any specific/ mandatory test types that should be part of the other work streams? How much work has already been done for QA/ testing in these work streams? Do you have test assets (test cases/ automation frameworks/ scripts/ utilities) which are reusable?**

A67. Other than the work currently underway as described in Section 4.2.1, planning for the Payout Modernization streams is in the early stages. No planning has occurred yet around test strategies. Other than some test assets related to Compliance Testing, test plans and associated assets will need to be developed by Payout Modernization as the project progresses. Vendor involvement in this is expected.

**Q68. What are the key challenges faced in Testing the Payout systems/ applications today ( e.g. setting up test data, data integrity across applications, test environment issues, test coverage/ minimum automation etc.)?**

A68. Current testing processes are not supported by automated tools. This is manageable in the current environment and there are no significant issues. However, with Payout Modernization, automated testing support will be a requirement, with details to-be-determined. Vendor involvement with this is expected.

**Q69. Does CDIC currently follow data masking processes on test environments? If yes, what are the known issues /challenges (if any) with the process /tool/solution?**

A69. Personally identifiable information is currently obscured using hash functions implemented in Microsoft SQL Server. Masking of test data will be required as part of the future state, with details to-be-determined. Vendor involvement with this is expected.

**Q70. What is the level of test automation (e.g.: Regression/ functional/ E2E automation ) in the current work streams and % of automation?**

A70. Levels of automation in the current state test environment is minimal. Automated testing support will be a requirement, with details to-be-determined.

**Q71. Please share the list of tools used by CDIC for**

- 1. Test Management**
- 2. Automation**
- 3. Performance**
- 4. Security/ Compliance**
- 5. Test Data Management**
- 6. Depositor Communication**

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A71. The current list of tools used by CDIC is as follows:

- Test Management: Azure DevOps
- Automation: NUnit, SpecFlow, Selenium
- Performance: largely manual
- Security/Compliance: See the answer to Question 63 above
- Test Data Management: Azure DevOps
- Depositor Communications: Custom developed application

Future-state tools are being reviewed as part of the Enterprise Architecture work currently underway, and more details will be provided in the planned RFP.

**Q72. Section 4.2.1 - Can you elaborate on the current and future alignment with Cannex/IFDS/SIT? Are there any automated interactions/ triggers with these service providers in the current Payout Architecture?**

A72. Refer to the response to Question 21 in Addendum #2.

**Q73. Section 5.1 (a) - Is it acceptable to provide proof of org level annual reports or DnB reports of the company for Evidence of Financial Security and track record of growth ?**

A73. Vendors can draw on organization level annual reports or DnB reports as part of the response to Section 5.1 a), but the relevance must be shown in addressing each of the 4 response points as part of this Mandatory Qualification. Note the answer to Question 46 earlier in this Addendum.

**Q74. Section 4.1 - What is the integration technology stack being used in the current landscape across the workstreams for real-time as well as batch processing? Does CDIC have a preferred technology for the future solution?**

A74. None currently in use. The Enterprise Architecture work currently underway will identify preferred technology and associated tools. More details will be provided in the planned RFP.

**Q75. Section 4.1 - Does CDIC have a preference for the future Cloud platform or is the vendor expected to propose one? Is CDIC currently working with any Cloud services or platform providers?**

A75. The Enterprise Architecture work currently underway will address the future-state cloud platform. More details will be provided in the planned RFP.

**Q76. Section 4.1 - We understand from a few sections of the RFQ that Microsoft technologies are being used at CDIC. Please confirm if our understanding is correct. What is the expected future technology stack. If already defined, please share.**

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A76. Yes, Microsoft technologies are currently being used. For the Payout Modernization future state, the Enterprise Architecture work currently underway will define at a high level the future technology stack. More details will be provided in the planned RFP.

**Q77. Section 5.1 (d) - Point 1 states "Each project must have involved a minimum of \$1 million CDN in professional fee revenue from the Vendor." Can CDIC confirm if this statement refers to the professional fee revenue billed by the vendor to their client?**

A77. Yes.

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All other terms and conditions of the RFPQ remain unchanged.