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Bid Fax: (819) 997-9776

**LETTER OF INTEREST**

**LETTRE D'INTÉRÊT**

Comments - Commentaires

**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

Terrasses de la Chaudière 5th Floor

Terrasses de la Chaudière 5e étage

10 Wellington Street

10, rue Wellington

Gatineau

Québec

K1A 0S5

<b>Title - Sujet</b> Alternative Payment Methods	
<b>Solicitation No. - N° de l'invitation</b> EN891-210910/A	<b>Date</b> 2020-10-02
<b>Client Reference No. - N° de référence du client</b> 20210910	<b>GETS Ref. No. - N° de réf. de SEAG</b> PW-\$\$ZG-428-38513
<b>File No. - N° de dossier</b> 428zg.EN891-210910	<b>CCC No./N° CCC - FMS No./N° VME</b>
<b>Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2020-11-13</b>	<b>Time Zone</b> <b>Fuseau horaire</b> 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> Fournel, Karine	<b>Buyer Id - Id de l'acheteur</b> 428zg
<b>Telephone No. - N° de téléphone</b> (613) 858-8698 ( )	<b>FAX No. - N° de FAX</b> ( ) -
<b>Destination - of Goods, Services, and Construction:</b> <b>Destination - des biens, services et construction:</b>  Specified Herein Précisé dans les présentes	

Instructions: See Herein

Instructions: Voir aux présentes

<b>Delivery Required - Livraison exigée</b> See Herein	<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/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)</b>   <b>Signature</b>   <b>Date</b>	

**WE WILL REQUIRE YOUR FEEDBACK TO OUR QUESTIONS BY NOVEMBER 13, 2020.**

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**REQUEST FOR INFORMATION (RFI) REGARDING  
THE RECEIVER GENERAL ALTERNATIVE PAYMENT METHODS  
FOR PUBLIC SERVICES AND PROCUREMENT CANADA**

**NATURE OF REQUEST FOR INFORMATION**

This RFI is neither a call for tender nor a bid solicitation. No agreement or contract will be entered into based on this RFI. The issuance of this RFI is not to be considered in any way a commitment by the Government of Canada, nor as authority to potential respondents to undertake any work that could be charged to Canada. This RFI is not to be considered as a commitment to issue a subsequent solicitation or award contract(s) for the work described herein. The Government of Canada reserves the right to continue the conversation after the closing of the RFI.

Although the information collected may be provided as commercial-in-confidence (and, if identified as such, will be treated accordingly by Canada), Canada may use the information to assist in drafting performance specifications (which are subject to change) and for budgetary purposes.

Respondents are encouraged to identify, in the information they share with Canada, any information that they feel is proprietary, third party or personal information. Please note that Canada may be obligated by law (e.g., in response to a request under the Access of Information and Privacy Act) to disclose proprietary or commercially-sensitive information concerning a respondent (for more information: <http://laws-lois.justice.gc.ca/eng/acts/a-1/> ).

Participation in this RFI is encouraged, but is not mandatory. There will be no short-listing of potential suppliers for the purposes of undertaking any future work as a result of this RFI. Similarly, participation in this RFI is not a condition or prerequisite for the participation in any potential subsequent solicitation.

Respondents will not be reimbursed for any cost incurred by participating in this RFI.

The RFI closing date published herein is not the deadline for comments or input. Comments and input will be accepted any time up to the time when/if a follow-on solicitation is published.

The Crown retains the right to negotiate with suppliers on any procurement.

Documents may be submitted in either official language of Canada.

**BACKGROUND OF THIS REQUEST FOR INFORMATION**

The Receiver General (RG) is responsible for issuing payments on behalf of federal government departments and agencies and certain provincial governments by using a number of payment products including direct deposits, paper warrants and wire transfers. Beneficiaries are strongly encouraged to enroll for Direct Deposit to receive government payments electronically.

The RG launched its Direct Deposit Initiative in 2012. At that time, 74 % of Government of Canada (GC) payments were issued by direct deposit. The goal at the time was to phase out cheques and make direct deposit mandatory for all federal disbursements by April 2016. In late 2015, the Government reversed its decision in favour of a voluntary approach, maintaining both options (direct deposit and cheque) for

Canadians. Despite this change in guidance, the GC remained committed to increasing direct deposit rates on a voluntary basis, and by fiscal year 2019/2020, 91% of GC payments were issued by direct deposit.

While direct deposit remains the GC payment method of choice, we understand that a portion of cheque recipients are not open to direct deposit; we wish to investigate alternatives to cheques for these Canadians. Cheques are currently issued for almost all payment programs, to recipients across a variety of geographic areas and demographic groups. While the unbanked/underbanked are one group to be considered, potential alternative payment methods should appeal to a large cross-section of Canadians.

### **PURPOSE OF THIS REQUEST FOR INFORMATION**

The intent of this Request for Information (RFI) is to solicit feedback and industry perspectives. In particular, the PSPC hopes to obtain the following:

- a) clarity on the interest level and availability of service providers;
- b) industry feedback on the proposed information and questions; and
- c) encourage potential bidders to participate in discussions with the RG.

### **CONTENTS OF THIS RFI**

- a) This document remains a work in progress and respondents should not assume that new clauses or requirements will not be added to any bid solicitation that is ultimately published by Canada. Nor should respondents assume that none of the clauses or requirements will be deleted or revised. Comments regarding any aspect of the document are welcome.
- b) This RFI also contains specific questions addressed to the industry. Respondents are requested to refer to and complete *Annex A - Questions and Information Requests*.

### **NATURE OF RESPONSES REQUESTED**

Respondents are at their own discretion in this regard, but Canada is seeking relevant information, simply and directly stated, in order to avoid undue work by respondents and undue effort by Canada to analyze the results.

Responses from potential suppliers to this RFI will assist Canada in formulating any possible procurement strategy to meet Canada's business and operational requirements.

Respondents are requested to provide comments, concerns, and suggestions, and where applicable, recommendations regarding how the requirements or objectives described in this RFI could be satisfied or improved upon.

With regards to the information requested in the RFI, only written response will be accepted. Respondents should explain any assumptions made when preparing their responses.

### **FORMAT OF RESPONSES**

Cover Page: If the response includes multiple volumes, respondents are requested to indicate on the front cover page of each volume the title of the response, the RFI number, the volume number and the full legal name of the respondent.

**Title Page:** The first page of each volume of the response, after the cover page, should be the title page, which should contain:

- the title of the respondent's response;
- the name, address, email and telephone number of the respondent;
- the date; and
- the RFI number.

## ENQUIRIES

Because this is not a bid solicitation, Canada will not necessarily respond to enquiries in writing or by circulating answers to all potential suppliers. However, respondents with questions regarding this RFI may direct their enquiries to:

Contracting Authority: Karine Fournel

E-mail Addresses: [karine.fournel@tpsgc-pwgsc.gc.ca](mailto:karine.fournel@tpsgc-pwgsc.gc.ca)

Telephone: (613) 858-8698

## OPPORTUNITIES FOR DISCUSSION

During the period of this RFI, there will be an opportunity for Canada and Industry to enter into discussions about the requirement during scheduled one-on-one meetings to be held via teleconference or videoconference (i.e., Microsoft Team, Zoom, etc.).

The scope of the requirement outlined in the RFI would be reviewed during the meeting and questions would be answered. A discussion can be requested even though a written response to the RFI was not submitted.

Respondents may use this session to better understand the requirements and to explain their comments in regards to the documents attached to this RFI. Meetings will be up to three (3) hours in duration and may be attended by teleconference or videoconference. Any meeting request must be submitted in writing to the Contracting Authority, noted herein, no later than fifteen (15) business days prior to the closing of the RFI, and must include the names of the representatives who will attend, along with their Title/Responsibility within the company, and at least three proposed (3) time slots (morning or afternoon), and dates, in which they would be available to meet.

Meeting requests received after that time may not be accommodated and PSPC cannot guarantee that any respondent will be allocated any of its preferred meeting times. Respondents who do not request a meeting will not be precluded from submitting a bid, should an RFP be issued in the future.

## TREATMENT OF RESPONSES

### A) Use of Responses:

Responses will not be formally evaluated. However, the responses received may be used by Canada to develop or modify procurement strategies or any draft documents contained in this RFI. Canada will review all responses received by the RFI closing date. Canada may, in its discretion, review responses received after the RFI closing date.

### B) Confidentiality:

Respondents should mark any portions of their response that they consider proprietary or confidential. Canada will handle the responses in accordance with the *Access to Information Act*.

**C) Follow-up Activity:**

Canada reserves the right to invite any or all respondents to present their submissions to this RFI and/or perform a product demonstration.

At its discretion, Canada may:

- Contact any respondents to follow up with additional questions or for clarification of any aspect of a response;
- Convene with any or all respondents in order to discuss any aspect of a response;
- Should Canada request any or all respondents to meet to discuss their response, it shall be optional and participation would be at the respondent's expense.

## 1.0 INTRODUCTION

The Receiver General for Canada (RG) is looking into the feasibility of introducing one or more new payment products for beneficiaries as an alternative to the paper cheque process to reach the unbanked and underbanked population, to solve many departmental needs for immediate and urgent payments and to offer Canadians the payment methods of their choice. As payment options are evolving with the development of technology, the RG aims, through this Request for Information, to gather as much information as possible on the new payment methods available in order to help the Government determine and shape its vision and help ensure all payment options continue to meet the changing needs of Canadians.

The RG appreciates the efforts of all responders and welcomes general feedback and specific responses to any or all of the questions within the RFI.

## 2.0 OBJECTIVE

The RG's aim is to ensure that payments are timely, safe and accessible. To achieve this, the RG has identified three key outcomes:

- Canadians transact safely with Canadian payment service providers (PSPs).  
The RG expects PSPs to handle and store data securely within Canada and to minimize the impact of fraud and operational failures. We ensure, through the contracting process, that PSPs have appropriate systems and controls in place to minimize the occurrence fraud and operational failures.
- PSPs meet their operational, privacy and data security responsibilities.  
The RG ensures that PSPs meet their responsibilities, including safeguarding customer data.
- Canadians and businesses have access to a variety of payment services.  
We expect the public to have access to a range of payment services, with ease of enrolment, and to provide a pleasant payment experience. In particular, we seek to ensure that we best meet the needs of all recipients, and that Canadians can receive payments through their preferred method.

## 3.0 INFORMATION REQUESTED

### 3.1 Prepaid Cards

#### 3.1.1 Costs

The RG needs to determine what costs would be incurred if a prepaid card program for government benefit payments is implemented. Please provide, if possible, details regarding the anticipated cost structure of implementing and operating a prepaid card program from both the RG and cardholder perspective. There may be legal challenges if cardholders are not able to access their funds without incurring fees, at the same time we would like to prevent beneficiaries switching off the low-cost Direct Deposits onto prepaid cards. We would like information on transaction fees, maintenance fees, issuance fees, replacement fees and so on.

### 3.1.2 Types of programs – Instant issuance

The RG is investigating prepaid cards as payment method for multiple potential payment situations. While the RF mainly needs information for a reloadable benefit card, some government departments have a need for an instant issuance card. Please provide, if possible, details of how an instant issuance card program could work. Ideally the departments should be able to have an inventory of non-activated cards that can be immediately loaded and presented to the beneficiary. We would ideally like information such as how funds would be loaded on the card, and what setup would be required to do so, and what the benefits of such a program would be.

### 3.1.3 Coverage

Please provide information regarding the scope of where your prepaid card programs can be operated. We would like information regarding the potential use in all areas domestically, if international use is available, online and other methods.

### 3.1.4 Security

Ensuring that issues such as fraud and lost payments are minimized is of critical importance to the RG. Please provide information on the security of your prepaid card program, as well as any other areas that may be relevant:

- How do the current industry processes protect against fraudulent enrolment?
- How does the activation process ensure the card is in the right hands?
- What happens if a card is lost or stolen?
- How are cases handled where a payment is missing or misdirected?

### 3.1.5 System processes

Please provide information on how a bulk payment loading process could work. What files would need to be provided? The ideal solution for the RG would be to have the system structured similar to direct deposits, where a direct deposit file is sent to a specific FI and transit, and then it is loaded by the FI to established cards.

### 3.1.6 Payment loading

The RG would like information regarding the process to fund the loading of the cards. Would an arrangement similar to what the RG already has in place with FIs for direct deposit be an option? Ideally we would like to continue with our payment on redemption model.

### 3.1.7 Payments to existing cards

Another option the RG might consider is being able to make payments to existing prepaid cards rather than needing a government branded, government benefit specific card. If available, please provide information regarding existing products you may have with good uptake among the population that could be used to receive government payments.

### 3.1.8 Support levels

Given the nature of the government payment cycles, there will be peak payment volume periods that need to be considered. Would the existing support structure for cardholders be able to handle large peak periods such as when tax refunds are issued?

### 3.1.9 Enrolment

Please provide information regarding how new cardholders would be enrolled into the program.

### 3.1.10 Limitations and Restrictions

Please provide information regarding any restrictions that would be necessary for a prepaid card program. For example, are there maximum balances that can be carried on a card at any one time? Is there a maximum payment value that can be loaded onto a prepaid card?

## 4.0 Interac e-Transfers

### 4.1 Bulk Payments

Bulk e-Transfer payments may be of interest to beneficiaries as it does not require them to provide banking information and gives them more control on the flow of their payments. Please provide information regarding how the bulk e-transfer process operates and benefits to using this payment method. We would also require information such as any limitations like maximum volume of transfers and/or maximum value limit for payments made through this method.

### 4.2 Costs

Please provide, if possible, information regarding the costs associated with issuing payments through bulk e-Transfers.

### 4.3 Functionality

Please provide information regarding the functionality of an e-Transfer payment system. Some areas where information is sought includes:

- What type of information is required in order to process a transaction?
- Is a security question needed for each transaction? If so, how can that question and its answer be provided in a payment file?
- The storage of the data needed to complete a transaction, if any, (active email address or mobile phone number) is a challenge to our legacy systems. In what way can such a limitation be addressed?

### 4.4 Security & Privacy

As with other payment methods, security and privacy are key concerns for the RG. Please provide information on the following questions, if available, as well as any other pertinent security and privacy information that may be applicable.

- How are misdirected payments handled and who bears responsibility to absorb losses?
- How can payments be traced and confirmed if necessary?
- How do the current industry processes protect against fraudulent transactions?
- How is the privacy of personal information handled?

### 4.5 Incoming payments



The goal of this RFI is to obtain information regarding outgoing payment methods, however the RG is also interested in information regarding receiving incoming payments by e-Transfer as well. How could incoming e-Transfers be implemented for a large organization like the federal government?

#### 4.6 Interac

The e-Transfer is now designated by the Bank of Canada Governor as a prominent payment system under the *Payment Clearing and Settlement Act*. This brings Bank of Canada oversight to this payment system and ensures it remains a safe, viable and effective method of payment for Canadians.

Can you please provide information on how this designation changes your processes in terms of privacy, risk management and fraud?

Once an e-Transfer is deposited, the transaction is final. Can you please confirm this and, if so, explain what happens to unclaimed balances? Do they revert back to the government?

#### **5.0 Other alternative methods**

Prepaid cards and Interac e-Transfers are existing technologies and options the RG is investigating. However, with the rise of new technology, many fintech companies and the upcoming Real Time Rail technology, there may be an opportunity to get ahead of the curve and offer something entirely new.

FIs are encouraged to provide input and suggestions regarding alternate payment ideas, such as programs they have in place or may have planned for the future that may meet the government's needs.

## **ANNEX A**

### **QUESTIONS AND INFORMATION REQUESTS**

#### **Questions**

The respondents are requested to review the information and provide detailed answers to the following questions:

1. What are some trends emerging in the payment ecosystem that can be easily adopted in the government landscape?
2. Is there a payment type that makes real-time payments available in all cases?
3. Does your payment solution provide a user friendly and easy customer experience?
4. How will Artificial Intelligence (A.I.) impact the payment landscape?
5. Is there a solution that provides updates on the status of payments?
6. What payment solution is available to help and to address financial inclusion of the unbanked and underserved Canadians?
7. What payment solutions are available to Canadians living in remote locations?
8. What methods are available to the Government to encourage enrolment in a new method away from cheques, in terms of privacy, security and availability of funds?
9. While the overall purpose of this RFI is to investigate alternative payment options, the RG is also interested in improving the paper cheque process currently in use. Is there a solution that would help the Government reduce and control cheque fraud?