

**Document Control**  
**Document Information**

Request for Proposal (RFP) document & Card Issuing Project Guidelines  
Selection process led by Mark Sibthorpe, Merchant Coalition.

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## Introduction

In the interest of continuous improvement and to provide the best possible service to our customers, BNTV representing 10 affiliated companies (collectively, the "Company") are mandated to set up a card management and loyalty strategy.

This present document is a tender which outlines our expectations for this project. The main objective is to select a partner who would be able to play an advisory role, be able to support us in achieving our strategy and can offer a solution that adheres to best practices, is adaptive, and meets our needs.

## Terms and Conditions

### Privacy

The information provided by the Company in this tender is and remains the property of the Company, shall be treated as confidential and can not be used for purposes other than responding to this tender and to ensure compliance with project-related agreements to be concluded by the Company with the successful bidder. On request of the Company, any information (and any copies made by the bidder or made on its behalf) must be returned to the Company.

bidders may not disclose any information related to their offer or tender process to anyone who is not directly involved in their tenders, without the prior written consent of the Company.

### No Contract

No contract whatsoever is made or arises under this tender, and it does not constitute an offer to contract with any party whatsoever. The Company shall have no obligation, responsibility, engagement or offering any legal liability arising from this tender or any tender submitted in response to this solicitation. The Company shall have no obligation, responsibility or commitment to the successful bidder until the agreements related to the project has been duly executed and delivered.

### No Recourse

The Company and its directors, officers, employees, consultants, agents, successors and assigns (collectively, the "Released Parties") cannot be held liable under any circumstances, with the exception of a written contract, to be entering into a legal obligation, contract, or have any liability or implied liability to any person for any claim (except in cases of gross negligence by the Company) by any person (including any bidder) related to this tender.

In answering the call for tenders, the bidder agrees to indemnify and hold harmless each of the Released Parties for and against any claim made by or on behalf of i) any associate of the participant or collaborators related to the bidding process, or ii) any third party arising from any act or omission by the bidder or any associate of the participant in connection with the performance of its obligations with respect to the process of this tender.

Each participant acknowledges that, in responding to this RFP, it waives and releases the Released Parties from any claim or right of action against them arising out of or in conjunction with the tender.

**No obligation to select or make**

Without limitation, the Company is not obligated to accept the offer showing the lowest cost and reserves the right to withhold any bid which, in the opinion of the Company at its discretion, is overall the best deal.

In addition, the Company may, in its discretion, reject any offer that is not an acceptable offer. The decision of the Company regarding the acceptance or rejection of an offer as final. The Company has no obligation to justify its decision to participants.

Without limitation, the Company may, in its discretion, refuse to consider and withdraw completely from the bidding process or reject any bid which, in the opinion of the Company, is incomplete or irregular, contains exceptions or unacceptable gaps for him, contains statements, claims or misrepresentation or omits any material information to be submitted under the tender by a bidder.

**Possible changes in the selection process or termination**

The Company may, at its sole discretion, at any time and for any reason and without liability to the bidder or any other person, by addendum, modify, amend or otherwise change any part or all of the tender, including by amending the bidding process, extending any deadline or time period specified herein or by suspending, postponing or terminating some or all of tendering process. Any addenda will be issued by the Company in writing and must be specifically identified as an addendum to this solicitation.

The Company reserves the right to terminate the tender process.

**Costs and expenses of bidder**

All costs and expenses incurred by the bidder for participation in the bidding process, or in the preparation and submission of the tender, or when submitting any additional information necessary to evaluate its offer are assumed entirely by the bidder. The Company shall not be held liable to any person, including any bidder for any expense incurred by any person or bidder in connection with this tender or bidding process, or for any damages caused to such person or offering (including in connection with the preparation, review or evaluation of the offer).

**Agreements related to the project**

Once the selection process is completed, the Company intends to discuss with the successful bidder the terms and conditions of and related agreements to be implemented in respect of the project (the "Agreements relating to the Project").

A preliminary basis, the Company intends to deal with intellectual property related to the project as follows:

Bidder shall retain his rights in any intellectual property controlled by the bidder before the project or created or developed by the bidder outside the scope of the project (the "former intellectual property") unless otherwise agreed in writing.

In addition, the Company shall require that all persons involved in executing the warrant must have signed a confidentiality agreement on terms acceptable to the Company prior to initiating any work under the project. The successful bidder must maintain the confidentiality of all information, documentation and other items related to the project and not disclose or make available with the prior consent of the Company.

The bidder agrees that the Company may alter or modify its requirements in respect of agreements relating to the project, including intellectual property, and it reserves the right to declare that negotiations with the successful bidder on this issue have reached an impasse, to reject the bid of the successful bidder and enter into negotiations with any other offer, all at the sole discretion of the Company.

**Date and place of surrender**

Tenders must be sent or delivered to the following address:

Attn: Mark Sibthorpe  
BNTV  
442 Beaconsfield Blvd,  
Beaconsfield, QC  
H9W 1T3

All documents related to the RFP must be sent to:

Attn: Mark Sibthorpe  
BNTV  
442 Beaconsfield Blvd,  
Beaconsfield, QC  
H9W 1T3

**Overview of the Company participants:**

BNTV represents 10 Canadian merchants having combined sales in excess of \$30 billion. These are long established retailers located in Canada and the US. Initially this project will be focussed in Canada but expansion to the US is expected after successfully rolling out the current solution.

## Executive Summary

NewCo wishes to implement a *loyalty solution* for its cardholders comprised of coalition member clients. This document outlines the procedures to be followed in order to select a loyalty management system. Included is a detailed questionnaire that is the main component of the RFP. The completion of the recommended process should lead to a Statement of Work that defines a processes and methodology for NewCo to be certified as an issuer using industry compliant (Chip) issuing service providers and with a supporting operational environment.

### Project Definition

#### Vision

1. To implement a Chip Compliant loyalty solution for NEWCO.
2. To successfully introduce *industry standard credit* backed loyalty cards to NewCo members comprised of coalition member clients.
3. To implement fraud detection features.
4. It implement risk management processes and procedures.
5. To implement clearing and settlement processes and procedures.
6. To implement a multi-channel customer support centre capable of responding to coalition member cardholders issues related to rewards.
7. To implement reporting and analytical solutions for both credit and loyalty modules that will be available to coalition member administrators real-time via online reporting dashboard.
8. To implement portfolio management and accounting features for credit management/securitizations.
9. To ensure data integrity and minimize privacy and financial risks to coalition members.

#### Objectives

Noted below are the project objectives which describe in more detail what it is that the project is going to achieve.

#### Business Objectives

- To implement industry standard loyalty services with the ability for multi-channel delivery August 2012
- To provide a new 8 a.m. to 5 p.m. loyalty support service to support issuing cardholder inquiries and complaints by August 2012.

## Technology Objectives

Reward authorization based on business rules established and account balances provided by NewCo. Real-time transactions would be processed on behalf of NewCo and updating cardholder accounts hosted on the vendor premises. Vendor would provide revised cardholder status and balances for updating the Issuing system.

1. Device driving (ATM and POS intercept processing)
2. Merchant accounting

3. Fraud detection/investigation
4. Wholesale interbank payments (clearing, local wire transfer, corporate finance)
5. SOA
6. EMV compliant
7. Open operating platform
8. Quality standards (availability, DRP, etc)
9. Deploy commodity based hardware
10. Support for multiple comms (X.25, dial, IP, etc)
11. Support for regional/national/legislative/regulatory standards to meet (beyond international norms)

## Document Scope

This RFP is intended to document the criteria for the selection and recommendation of a credit and loyalty management system. The system should allow each merchant to connect directly to the main system in order to access reports, it should partition data and allow for individual and combined loyalty management. Cardholders will also require access to detailed account data and have support for standard functions related to credit and loyalty management.

To support this card management system recommendation, this report will:

1. identify the strategic technology objectives of NewCo and their importance to the banking system strategy;
2. identify the decision criteria to be used as a basis for evaluating and selecting the core banking system;
3. identify and evaluate the risks and costs associated with the loyalty management solution;
4. present the card management system recommendation and the basis for its support.

### Mode of operation

NewCo anticipate operating in a service bureau relationship. However, NewCo plan to do a cost benefit analysis of the following options:

1. **Service bureau**, where NewCo engages a company which hosts and operates a standardized card management system application as a service to multiple financial institutions and retailers;
2. **In-house** management mode, where the NewCo installs and operates its banking system application on in-house computers, to be operated under the direct control of the NewCo;
3. **Facilities management** operating mode, where the NewCo hires a qualified technology services company to operate its banking system application and computer hardware, either on NewCo's premises or hosted by the service providers.

Decision Criteria	Weight (%)
1. Meets business needs (proven functionality, member service, all other)	17.40
2. Provides management control over technology	14.15
3. Supports timely management information on sales and key performance indicators	12.05
4. Supports all service delivery channels (call centre, electronic, interactive)	11.50
5. Supports the needs of end users (ease of use, speed, training)	10.55
6. Proven vendor performance and accountability	9.40

Decision Criteria	Weight (%)
7. Efficient to maintain and support	8.40
8. Manages and controls risks	8.20
9. Affordable	6.05
10. Political issues and concerns	2.30
<b>Total</b>	<b>100.00%</b>

**Evaluation Considerations: Business Needs**

Some expected business capabilities:

1. The native functionality of the system includes
  - a. supporting all of the required product and service features;
  - b. implementing new products and services;
  - c. performing calculations;
  - d. producing reports, statements and forms;
  - e. facilitating data input;
  - f. supporting all of the required connectivity to external networks, and;
  - g. supporting business activities such as sales, marketing and general business development. Generally speaking, data input and reporting are used extensively, so attention should be paid to evaluating these aspects.
2. Functionality of the system must combine the right mix of native functionality with the ability to integrate other applications that may be the “best of breed” for a particular application. NewCo has identified possible needs such as the ability to integrate call centre and other applications, as a critical business need.
3. Consideration of whether a system meets business needs should also include an evaluation of the cardholder service aspects of the system. Issues such as speed and accuracy of service should be considered. In addition, operational effectiveness (including developing, implementing and maintaining sound and efficient operating procedures and fully trained staff) should also be evaluated.
4. Documenting functionality requirements and independently evaluating the full extent of functionality of any card management system is an immense undertaking. Some indirect confirmation of functionality can be established through similar organizations currently using the system.

**Process Overview**

Our aim is to create a short list of vendors (two) systems and vendors in a complete and unbiased fashion. This will be done through an initial request for proposals (RFP) document. The key elements of this document are as follows:

1. Card system functional requirements of the coalition listed, and questionnaires developed to assess each system (credit, loyalty, settlement...);
2. related services required or potentially required by the coalition and/or its members are identified and assessment questions developed;
3. hardware, software and network infrastructure are to be inventoried to ensure that any required upgrades can be identified and priced;

4. key contractual requirements to be defined;
5. required services identified and assessment questions developed;
6. clear instructions and timelines developed for vendors to follow in preparing their proposals.

## **Requirements**

- 1. performing cost analysis, and;**
- 2. business case development.**

An RFP document was prepared using requirements developed by BNTV, led by Mark Sibthorpe, acting on behalf of the participating merchants. Overall, the RFP contained 500 individual functionality questions, individual requests for information, and general and service questions. Identical copies of the RFP will be sent to each vendor.

Prior to sending the RFP we will review our timelines with the vendors to ensure that the vendors would be in a position to comply. The goal being to ensure a timely and fair response.

Following the RFP, selected Vendors will be invited to provide a two-hour presentation of their proposal to the Evaluation Team.

Subsequently we will conduct performance analysis, assess strategic and competitive elements, assessing the alternatives, develop recommendations and documenting the business case.

## **Loyalty System Functional Requirements**

The RFP contain over \_\_\_ functionality questions. These questions will be ranked by relative importance to ensure that greater emphasis is placed on more critical matters. The questions were categorized by decision criteria category and by functional area or department to permit easy tabulation of responses. Vendors will be provided with a structured response format, permitting a fixed choice of responses (“yes”, “no”, “partial”, or “scheduled”), again, to permit easy tabulation. Vendors will have the ability to comment and provide additional information as required.

## **Service Requirements**

The RFP general and service questions are intended to address the requirements in the various related services provided by the vendors.

These questions fall into the following service categories:

1. Card management system application, support, maintenance and development;
2. system operation and management services;
3. systems implementation services.

More details on these service categories will form part of the RFP Appendix.



## Project Plan

### Approach

PMBOK is an example of a project methodology used to manage each of the phases related to the project and is suggested as an example of a methodology; Refer to PMBOK Guide – Guide to the Project Management Body of Knowledge – Third Edition; It is expected that the bidder will have a documented approach and provide related details. We expect at minimum the following before agreements are made related to the project:

1. Initiation Create and approve the Project Charter;
2. Outline the method by which the project will be further defined, the project team appointed and the Project Office established;
3. Planning Define the overall planning process to ensure that the phases, activities and tasks are undertaken in a co-ordinated fashion;
4. Execution Describe the phases and activities required to build, test and implement the deliverables of the project.

### Monitoring and Controlling

1. Define the process to monitor and control the project;
2. Closure Describe the steps required to release the deliverables to the business, close the project office, reallocate staff and perform a Post Implementation Review of the project.

## Overall Plan

A summarized project plan example follows; A detailed Project Plan will be drawn up during the “Planning” phase of the project.

### Milestones

- Noted below are the major project milestones and delivery dates based on Option A;
2. Statement of Work Signoff \_\_\_\_\_ Required to ensure requirement are understood and agreed to prior to project planning and execution;
  3. Project Planning Signoff \_\_\_\_\_ Required to ensure detailed requirement are defined
  4. and activities assigned to responsible parties since multiple stakeholder organizations are involved in the project.

### Project Execution Completion

1. Required to commence Vendor Certification and Acceptance Testing
2. NewCo Certification Signoff \_\_\_\_\_ Required to implement and commence pilot;
3. Issuing Implementation \_\_\_\_\_ Required to commence pilot;
4. Issuing Pilot Signoff \_\_\_\_\_ Pilot necessary to ensure systems and procedures are
5. implemented and operational prior to general release;
6. Cardholder Issuing \_\_\_\_\_ General release;
7. Project Closure Signoff \_\_\_\_\_ Required for project closure.

## **Dependencies**

Noted below are project activities which:

Will *impact on* another activity external to the project

Will be *impacted on by* the non/delivery of another activity external to the project

1. Integration with POS systems;
2. PCI Compliance Certification;
3. Pilot;
4. General Release.

## **Project Considerations Risks**

Noted below are the most apparent risks associated with the project; Risks are defined as “any event which may adversely affect the ability of the solution to produce the required deliverables;” Risks may be Strategic, Environmental, Financial, Operational, Technical, Industrial, Competitive or Customer Related;

1. R1: There are multiple third party deliverables and dependencies to deliver required results;
2. Medium - Very High: Complete detailed project plan to ensure all team members understand project timelines, activities and responsibilities;
3. R2: Technology solution provider is unable to deliver required results;
4. Medium - High: Complete a pilot project to prove the full technology solution

## **Issues**

Noted below are the highest priority issues associated with the project; Issues are defined as ‘any event which currently adversely affects the ability of the solution to produce the required deliverables;’

I2: NewCo plan to use expert resources to facilitate implementation;

## **Assumptions**

Noted below are the major assumptions identified with the project to date;

NEWCO will be responsible for all network costs including but not limited to *Interac* and MCI membership registration fees, audits, certifications, annual fees and transaction fees;

1. Card production and credit management will not be part of this mandate;
2. NEWCO will be responsible for card activation, banking system SCD/IDP transaction
3. Systems, policies and procedures implemented will be compliant with PCI rules and regulations.

## **Essential Features**

Sufficient transaction processing capabilities and potential to scale up in the event of rapid user adoption that exceeds expectations;

## **Essential Security Criteria**

Verify if the system meets PA-DSS requirements and is it EMV ready;

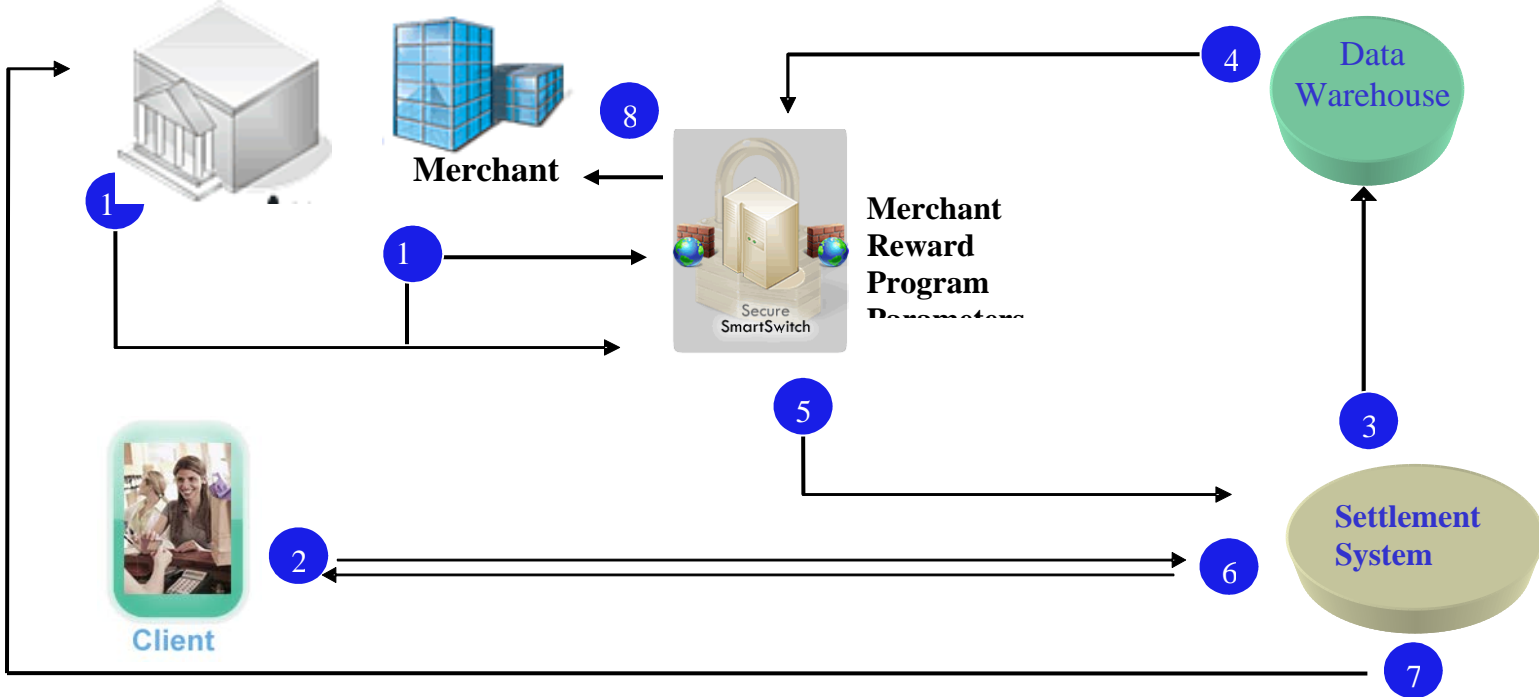
Determine what card security schemes are supported;

Ensure that proper account validation features are available, and;

Ensure that fraud management features are available and are proven.



## Expected loyalty features workflow



- 1 Merchant defines redemption and incentive program parameters to merchant system and enrolls their customers
- 2 Customer presents cards at till for processing
- 3 Merchant processor captures customer transaction data and sends to Data Warehouse
- 4 Data is filtered at data warehouse to be sent to settlement system
- 5 Coalition member determines customer incentive and adjusts price
- 6 Points are allocated to customer account for future spend.
- 7 Revolution processes transactions and validates rebate and submits for clearing and transaction validation at the till (POS)
- 8 Bank/issuer provides merchant reconciliations and settlement

### Process flowchart

## Appendix RFP Questions

	<b>System overview</b>	<b>Response to criteria Yes/No</b>	<b>Detailed comments</b>
a1	System is turn key		
a2	System is localized in Canada for both French and English		
a3	Administration dashboards are accessible online and from the same interface.		
a4	Level of consulting required (business/project help beyond system implementation)		
a5	Does the implementation scope include work at NewCo and coalition members, or the card management system?		
a6	List any systems that need to be operated/installed at the NewCo or coalition members or amendments to the member acquiring and processing systems?		
a7	List your Canadian clients, in particular credit and loyalty programs.		
a8	Do you have direct connections with FirstData, Global Payments, Moneris, Evalon? Others please list.		
a9	What is the price structure? Please provide in separate attachment.		
a10	How will the overall solution be run (how do we set pricing/handling fee, security guidelines, brand strategy, etc.		
a11	Please attach a sample contract to the RFP for service bureau solution.		
a12	Who owns the intellectual property?		
a13	Detail corporate structure?		
a14	Who are the equity partners?		
a15	What ongoing support is required from Vendor?		

a16	List available vendor sales support (tech support, documents, presentations, etc)		
a17	What are post-implementation local support levels?		
a18	What system availability estimates are expected? Provide details on how this is derived.		
	<b>Ongoing Fees</b>		
b1	What are ongoing fees?		
b2	Are there separate Vendor Management Fees ?		
b3	What fees will be charged to each Coalition member client for the provision of the following services:		
b4	Compliance Management		
b5	Settlement Reporting		
b6	Settlement Services		
b7	Management of the Settlement Agent Relationship		
b8	Association Reporting		
b9	Day to day technical support		
	<b>Professional Services</b>		
c1	What are fees for professional services, consulting, project management, system or report development, etc.?		
c2	What Security Audits and what frequency are in place with vendor		
c3	What PCI DSS Audits are in place? PCI PIN Audit?		
c4	Provide certification or demonstration of compliance of PCI rules and regulations.		
c5	Does system support Cardholder Disputes/Adjustments?		
c6	System provides notification of host system of approved transaction, points balance inquiry and non-inquiry transactions and declined, zero-value transactions		

c7	System provides facility to set balance stand-in authorization, loaded into host system in case system is unavailable to ensure approval/decline transactions based on available rewards balance.		
c8	Systems allows for setting of limits-based authorization. I.e. max transaction amount.		
c9	List other setup options that are available		
c10	Does Issuing system permit administrators to activates/deactivates loyalty accounts and updates cardholder balances		
c11	Is there a Reconciliation module which reconciles transactions processed		
c12	Is there a Reporting module which provides settlement and transaction reporting		
c13	What is the process for		
c14	receiving and processing cardholder disputes and adjustments		
c15	cardholder balances, receives card order information and cross reference to cardholder		
c16	to provide status and balance updates to Vendor.		
c17	Complaints resolution process		
c18	Complaints measurement process		
c19	New support role/services for support cardholder inquires and resolving cardholder		
c20	<b>complaints</b>		
c21	What system is in place to manage cardholder incidents		
c22	<b>Testing Services</b>		
c23	Test System Environment Test systems to support testing, certification and ongoing production testing between Vendor and NewCo		

c24	Incident Management process		
c25	Change Management process		
c26	Support and change management process between Vendor and NEWCO		
c27	How does the system manage secondary coardholder/s information		
c28	View and / or manage security information, such as validation process prompts for cardholder identity verification		
c29	Configure card-specific transaction limits, overriding card program limits		
c30	Configure new account details, including overdraft limits		
c31	Link one or more account to the card		
c32	Card audit trail to manage all card updates.		
	<b>Project Plan</b>		
d1	What project planning methodology is used		
d2	Outline the method by which the project will be further defined, the project team appointed and the Project Office established.		
d3	Planning Define the overall planning process to ensure that the phases, activities and tasks are undertaken in a co-ordinated fashion.		
d4	Execution Describe the phases and activities required to build, test and implement the deliverables of the project.		
	<b>Monitoring and Controlling</b>		
e1	Define the process to monitor and control the project.		



e2	Closure Describe the steps required to release the deliverables to the business, close the project office, reallocate staff and perform a Post Implementation Review of the project.		
	<b>Features</b>		
f1	What are transaction-processing capabilities?		
f2	Does the system uses active/active architecture?		
f3	How will the solution align with the supply chain for stock reports, forecasting, sell thru analysis and fill rates		
f4	Interoperability with CRM / ERP		
f5	<a href="http://www.profdata.com">http://www.profdata.com</a>		
f6	<a href="http://www.sscsinc.com">http://www.sscsinc.com</a>		
	<b>Security</b>		
g1	Does it meet PA-DSS requirements and is it EMV ready?		
g2	What card security schemes are supported?		
g3	What account validation features are available?		
g4	What fraud management features are available?		
	<b>Card management functionality</b>		
h1	Supports debit?		
h2	Supports prepaid?		
h3	Supports gift cards?		
h4	Supports vouchers?		
h5	Supports contactless		
h6	Supports credit?		
	<b>Industry functionality</b>		
i1	Fuel		
i2	Supports fleet card		
i3	E-vouchers for petroleum		
i4	Retail		

i5	Family card		
	<b>Platform</b>		
j1	What platform is used:		
j2	Hardware		
j3	Database...		
j4	OS		
j5	Languages		
j6	Other		
	<b>POS and points management</b>		
k1	What transaction volumes are possible?		
k2	Can you provide POS equipment and software applications?		
k3	What connectivity support is available?		
k4	What standard payment forms are supported?		
k5	What reporting capabilities are available? List and describe report types.		
k6	Does the system have published APIs for integration with POS?		
k7	Captures processor & terminal information		
k8	Provides user access control		
k9	Generates alerts, intimating changes		
k10	Does system provides administration and maintenance features		
k11	Are forms customizable (online forms)		
k12	Can administrators and facilitates managers configurable workflow		
k13	Does the system offer easy solutions to define the workflow steps as required		
k14	Does system provide an easily definable access control mechanism		
k15	Is the system easily integrated with external services with minimal effort for automated background check		

k16	Does systme provide analytical reporting and charting feature using metric information on various demographic attributes of merchants, both predefined and dynamic in nature		
k17	Does system offer a web service interface to feed in and extract data from an organizational data warehouse		
	<b>Settlement. Does system offer the following:</b>		
l1	Credit and debit accounts based on chargebacks, refunds...: dispute resolution processes are in place? Sales draft retrieval requests		
l2	Chargeback processing		
l3	Pre-arbitration and arbitration		
	<b>Merchant Billing</b>		
m1	Is the system capable of calculating and complex network and managing fees and payments to merchants		
m2	Does system have the ability to assigne value-added charges on a transaction-by-transaction basis. For example, if there are additional promotions, how would they be caluculated.		
m3	Can pricing be applied across all merchant based on various characteristics		
m4	Can fees be separated by industry		
m5	Does system provide profitability reports		
m6	Does system offer daily and monthly fee reports		
	<b>Online Merchant Statements</b>		
n1	Does system provide the ability to view merchant and chain summary statements in a PDF format representing an exact image of the printed statement (e.g., colors, logo, graphics, etc.).		

n2	What statement history views are available for online access for both NewCo administrators and merchants.		
	<b>Portfolio Reporting. Can system accomodate the following views:</b>		
o1	Profitability		
o2	Merchant Detail		
o3	ACH		
o4	Exceptions		
o5	Pricing		
	<b>Loyalty features overview</b>		
p1	Easy to access online statements		
p2	Ability for administrators to manage campaigns, such as offers and promotions		
p3	Claim rewards via:		
p4	Voucher		
p5	Redeemable at POS		
p6	Cashback		
p7	Travel and entertainment expense tracking		
p8	Extensive authorization controls and reporting		
p9	Expense monitoring and cash flow control		
p10	Can solution integrate with ERP/CRM		
p11	List compatible systems		
p12	What features of the solution allow it to be aligned with marketing strategies		
	<b>Loyalty Merchant Features</b>		
q1	<b>Points definition</b>		
q2	Can rewards/points/cashback be managed by NewCo administrators? What is process?		
q3	Can system allow for coupon management (assign, load, redeem, method of redemption definition)?		

q4	Can merchants have the ability to target individual consumer with specialized promotions and discounts at the till?		
q1	What are redemptions options. For example can points can be redeemed using cards at the till or vouchers sent?		
q2	Can minimum redemption can be set by system administrators (example \$10)?		
q3	Could the solution work with RFID or OCR at the pump for automated driver recognition		
	<b>Special Promotions Management Options</b>		
r1	Special promotions (in addition to % reward for purchases at participating merchant locations and credit card rewards) will be funded by individual merchants who will have the ability to set the promotional variables. What functionality exists to support this today.		
r2	What location based features are included		
r3	What solutions are available at the pump		
r4	<b>Sample special promotion</b>		
r5	Merchant A offers 5X points and reduced fixed price for business class flights between Montreal and Tampa		
r6	Variables:		
r7	Target audience: High net worth located in Montreal		
r8	Marketing: Cross promotions targeting Birks and Mayors high net worth clients, email, mailer enclosed with NewCo points update		
r9	Duration: September 15-October 15		

r10	Marketing collateral: brochure, web collateral (package A), email content, data extraction, data analysis		
r11	Budget: \$XXX		
	<b>Merchant reporting dashboard. Which of the following variables can be used to filter report data:</b>		
s1	By date		
s2	By product		
s3	By value		
s4	By Campaign		
s5	By profitability		
s6	By region		
s7	By cardholder segment Campaign revenue		
s8	Revenue breakdown by segment		
s9	Revenue by sales source table & graph		
s10	Sources of sales		
s11	Pricing / profitability results and charts		
s12	Affiliate campaign results and projections		
s13	Are reports available in real-time?		
	<b>For promotional targetting, which of the following variables can be integrated in segmentation?</b>		
t1	Products purchased		
t2	Shopping history		
t3	Age		
t4	Income		
t5	Location		
t6	Marital status		
t7	Store patronage		
t8	Frequency		
t9	Value		
t10	Product purchasing behavior		
t11	Interests and activities		
t12	Affiliation with coalition partner/s		

	<b>Which of the following Marketing variables are available:</b>		
t14	Email		
t15	Cross promotion		
t16	Direct mail		
t17	Partner campaign		
t18	Online		
t19	SMS		
t20	Coupons at till		
t21	Rebates		
t22	Collateral development		
t23	Real-time budget		
t24	Targetted 1:1 personalization capabilities		
	<b>Member Analytics and Management Dashboard. Which of the following variables and reports are available:</b>		
u1	Age		
u2	Income		
u3	Marital status		
u4	Address		
u5	Occupation		
u6	Bank details		Note items marked red are considered optional
u7	Credit card details		
u8	Spouse's name		
u9	Friends/Connections		
u10	Colleagues		
u11	Transaction details including all product purchase details		
u12	Product preferences		
u13	Transaction patterns		
u14	Member transactions using the NewCo card at other locations.		
u15	The budget ratio (share of wallet)		
u16	Retention rates & customer churn		
u17	Customer lifetime value (CLV/CLTV)		
u18	Customer retention, attrition and lifetime		

u19	Potential, existing, and defected customers		
u20	The patronage ratio		Note items marked red are considered optional
u21	The switching ratio		
u22	The Enis-Paul Index		
u23	Customer profitability		
u24	Drivers of loyalty and profitability		
u25	Loyalty and profitability models		
u26	The 'loyalty and profitability chain'		
u27	Past, actual, and future profitability		
u28	Recency, Frequency and Monetary value (RFM) segmentation		
u29	Net Promoter Score (NPS)		Note items marked red are considered optional
u30	Attitudinal equity		
u31	Customer-centric metrics		
u32	New digital marketing metrics		
u33	Examining individual customers and customer groups		
u34	Statistical primer: the mean, median, mode, variance & standard deviation		
u35	Customer behavior profiling		
u36	Customer lifestyle & demographic profiling		
u37	Customer product preferences and repertoire		
u38	Product category relationships & cross-selling		
u39	Dynamic pricing strategies		
u40	Online shopping suggestions		
u41	Segmentation and customer tiring		
u42	Customer base analysis and trend predictions		
u43	Customer flow analysis		
u44	Share-of-wallet estimation		
u45	Market share estimation		
u46	Early defector detection and customer win-back opportunities		
u47	Lower cost competitive response		
u48	Customer targeting and differentiation		



u49	Advertising campaign targeting		
u50	Circular efficiency		
u51	Offer planning and promotion analysis		
u52	Differentiated marketing		
u53	Intelligent de-selection of unprofitable customers		
u54	Planning and merchandising		
u55	Human resources planning		
u56	Geographical store site selection		
u57	Inventory rationalization & selection		
u58	Planogram adjacencies & merchandising		
u59	Differentiation based on data analysis		
u60	Real-time data mining and the 'single customer view'		
u61	Behavior prediction based on past events		
u62	Affinity marketing strategies		
u63	Predictive modeling		
	<b>Transaction management</b>		
	<b>Acquiring. Which of the following are available features:</b>		
v1	Security features, such as PIN processing and data encryption		
v2	Control over routing of transactions		
v3	Offline authorization		
v4	Real-time currency conversions, how does it work?		
v5	Event logging		
v6	Standards		
v7	PCI compliant DSS		
	<b>Reconciliation</b>		
v11	What information is provided in reconciliation reports?		

v12	Reconciliation provides detailed information and a comparison between the authorization, capture and funding transaction amounts to help acquirers insure that online debit and Electronic Benefits Transfer (EBT) reconcile to the funding wire.		
v13	Which features are available:		
v14	Identify exception items		
v15	Matching items		
v16	Settlement and fee calculation between stakeholders		
v17	Transaction data extraction for end of day settlement		
v18	Data exchange with CRM and other modules		
v19	Research individual transaction details		
v20	Match adjustments, chargebacks and representments		
v21	Manage your merchant portfolio		
v22	Secure, convenient access to transaction data includes:		
v23	Easy to use browser interface		
v24	Password protection and your own URL		
v25	Instant access to the data you use most		
v26	Customizable screens - add your own logo and brand colors		
v27	Capability of managing funds with vendors that support specific promotions		
	<b>Balancing</b>		
w1	What procedures and features are in place regarding ACH balancing?		
w2	How are incoming transmission totals managed?		
w3	What reporting tools are in place to monitor and calculate billing totals and compare to month-end ACH totals?		

w4	Is it possible to view daily ACH and monthly fee balancing totals at the bank and at client levels?		
w5	What is the date range that summary of daily ACH totals can be viewed?		
	<b>System API</b>		
x1	What elements are required to be included with programming of EMV cards by issuer?		
x2	What are reward currency options (Points, cashback, FF) and what are procedures/rules/restrictions for exchanging data with remote systems.		
x3	What is the procedure for account activation? via electronic transaction, CSR or bulk activation		
	<b>Fraud screening</b>		
y1	What type of transactions and processes can be screened?		
y2	Are limits based authorization in place?		
y3	What are the fraud processes in place?		
y4	Are there rules for		
y5	Location		
y6	Usage patterns		
y7	Transaction types		
y8	Merchant category		
y9	Country code		
y10	POS condition code		
y11	Card data input capability		
y12	Terminal type		
y13	Card acceptor identifier		
y14	Card present		
y15	What validation services are available?		
y16	Luhn checking		
y17	Checking card's internal status (active, inactive, PIN require, or re-issue card)		
y18	Hotcard checking		

y19	Checking whether the account is on hold		
y20	Card expiry date checking		
y21	Possible EMV or other authentication (including cryptogram validation and transaction counter matching)		
y22	Validation data comparison, for example security question validation		
y23	Address validation		
y24	Ceiling value for each transaction		
y25	What are the fraud rates for your hosted clients?		
y26	List other fraud screening processes in place		
	Reporting		
z1	What reporting system is used? What standard reports are available? How are new reports generated? (See also loyalty reporting section)		
z2	What plug-ins are supported?		
z3	What monitoring tools are present on the dashboard?		
z4	What alerts?		
z5	How are transaction related reports configured?		
z6	Does the system report trends such as transaction volumes?		
z7	Declined transactions		
z8	Length of response times		
z9	Percentage or reversals and deferrals		
z10	Investigation support into system errors, debugging, traces etc.		
	<b>Contact Centre</b>		
aa1	Ability to define analysts and managers and assign roles, responsibilities via dashboard.		
aa2	Case assignments and queues		
aa3	Ability to define workflows and resources to implement rules and regulations		

aa4	Interfaces with payment platform for transaction queries and financial adjustment receipts for chargebacks and representments		
aa5	Open new cases and automates process (like form filling)		
aa6	Dispute resolution features		
aa7	Automatically assigns cases according to case variables		
aa8	Triggers actions based on rules		
aa9	Generates financial records for chargebacks and representments for internal cardholders and customers.		
aa10	Account statement inquiries		
aa11	Account maintenance		
aa12	System management		
aa13	Fee dispute management		
aa14	Refund and credit processing		
aa15	E-mail support		
aa16	Toll-free phone number access with a customized greeting and call route other inquiries such as voice authorization, technical support or supply orders.		
	Inbound/Outbound Telesales		
ab1	Does system support inbound and outbound campaigns for portfolio cross-selling and up-selling?		
ab2	What technology (software/hardware) powers the solution?		
ab3	What Security is in place?		
ab4	What staff screening is in place?		
ab5	What is the hiring procedure for CSRs?		
ab6	Can system generate forms and auto populate		
ab7	Does system automate debits and credits?		
ab8	Can administrators create rules? For example low value disputes written off.		

ab9	Automatically reinstate a transaction once it is resolved and apply appropriate fees and interest.		
	Disaster Recovery and System Availability		
ac1	How is data integrity assured in the event of system failure?		
ac2	Does system support Active/Active availability? What are the cost/risk implications if this is available?		
ac3	How long will it take to restore data in the event of a system failure?		
ac4	What backup up procedures and facilities are available?		
ac5	How is data synchronized with primary and backup servers?		
ac6	Full database backup		
ac7	What is the procedure/workflow for logging transactions and system access (frequency)		
ac8	Data mirroring		
ac9	What message synchronization technology is in place?		
ac10	What steps are required to restore the system		
ac11	IP reset		
ac12	How would the application be launched?		
ac13	What is the operation impact of switching from primary to backup site?		
	<b>Special promotions</b>		
	Reward customer that has not shopped in a while with greater reward		
	Rewards triggered by external factors such as temperature or purchase type		
	Perishible coupons that expire by time or date		

	Geofencing capabilities		
	Ability to scan coupons/vouchers/offers		
	Ability to deliver discounts for purchases such as fuel		

## Glossary

**ABM** – Automated banking machine that is connected to SCD;

**Acquirer** - The side of the network which normally originates a financial request;

**AFD** – means an Automated Fuel Dispenser device for the petroleum sector;

**ANS** – American National Standard

**ANSI** – American National Standards Institute

**ATM** - Automated teller machine that is connected to SCD; Refer to ABM;

**Attended Terminal** – An IDP terminal that is activated by the Card Acceptor or Card Acceptor's staff

and where they enter the transaction type and the amount while the Cardholder OK's the amount, selects the account type and enters his/her PIN;

**Authentication** - A process used to ensure data integrity and data origin authentication; (ISO)

**Card Personalization Bureau** – an organization that personalizes an ICC on behalf of an Issuer with

data that is specific to the Issuer's Card application and their individual Cardholder;

**Cardholder** – The person to whom the financial transactions ICC has been issued;

**Certified Device** – A device that has been certified by a Device Certification Agent as meeting the

then current Interac Association *Technical Specifications and Testing Requirements* for the Service in

which it will be used, and for which a Device Certificate has been issued;

**Chip Card** – refer to Integrated Circuit Card (ICC)

**Chip Enabled** – means that:

a) hardware, software and host systems are fully capable of processing Transactions using chip technology so that when an Integrated Circuit Card is presented at an ABM or IDP device, only a chip

Transaction results, and

b) the ABM, IDP device or debit card used in the *Interac Shared Services*, and related host systems

have been certified in accordance with these Regulations;

**CIS** – Card Issuer Subsystem

**Compromised Card**– A Card that has been skimmed, where the data captured from that Card has

been used to produce a counterfeit card, and where that counterfeit card has been used at a Terminal

to access a Cardholder account;

**Data Encryption Algorithm (DEA)** – An algorithm adopted by ANSI as Standard X3;92-1981, Message Authentication;

**Device Certificate** – A letter from a Device Certification Agent, or a true copy certified by the Device

Certification Agent or a notary public, in the format prescribed by the Regulations, that confirms that a



device has been tested by the Device Certification Agent and complies with the then current *Interac*

*Association Technical Specifications and Testing Requirements* for the Service in which the device

will be used;

**Device Certification Agent** – An organization accredited by Interac Association as having the authority to issue Device Certificates;

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**EMV** (EuroPay MasterCard Visa) - The standard for interoperation of chip cards and chip capable

terminals for authenticating credit and debit card payments;

**HSM** – Host Security Module

**ICC** – Integrated Circuit Card

**IDP** – *Interac* Direct Payment (POS) service

**IID** – INTERAC ID Number

**IIN** – Issuer Identification Number (formerly the BIN Number)

**Integrated Circuit Card (ICC)** – A card into which has been embedded one or more ICs;

**Interac** – Interac Association is responsible for the development and operations of the Inter-Member

Network (IMN), a national payment network that allows Canadians to access their money through

Automated Banking Machines and Point-of-Sale terminals across Canada;

**Inter-Member Network (IMN)** – An intermediate network facility used to connect *Interac* Member's

switching components for the purposes of exchanging transactions or other information between

Acquirers and Issuers; The inter-member network software used by Direct Connectors to

communicate electronically with each other to facilitate the provision of the Services;

**ISO** - International Organization for Standardization;

**Issuer** – The side of the network which replies to financial requests and initiates Transactions such as

system generated Issuer reversals;

**MAC** – Message Authentication Code

**MasterCard International** - MasterCard International provides a link between financial institutions

and millions of businesses, cardholders and merchants worldwide; MasterCard develops and markets

secure and convenient payment solutions through its family of brands, including MasterCard®, Maestro® and Cirrus®;

**MCI** – MasterCard International; Refer to MasterCard International;

**Message Authentication** - A cryptographic process by which a code is created out of part or all of

the message content using a data encryption algorithm and a secret Key; This code is sent with the

message, and recreated by the receiver so as to validate the source and part or all of the content of the message;

**Notification Message Advice** – SCD/IDP financial message advice sent to Bank for cardholder updates; This advice is used when Vendor provides stand-on authorization for the bank;

**On-us Transaction** – Any electronic banking Transaction in which the acquiring Bank and the issuing

Bank is the same institution or are within the Vendor network;

**PAN** - Primary Account Number;

**Partial Dispense** – An SCD transaction where the Acquirer or Card Acceptor dispenses an amount less than the amount requested by the Cardholder and approved by the Issuer;

**Physically Secure Device** – A hardware device which, when operated in its intended manner and environment, cannot be successfully penetrated or manipulated to disclose all or part of any cryptographic key, PIN, or other secret value resident within the device; Penetration of the device when operated in its intended manner and environment shall cause the automatic and immediate erasure of all PINs, cryptographic keys and other secret values and all useful residues of those contained within the device;

**PIN Verification** – Verification of a Cardholder's authenticity by the Issuer;

**Primary Account Number (PAN)** - The reference number that is embossed and encoded on a Card

(on its Track II, or in its Integrated Circuit, or both) which identifies the Cardholder and the Issuer;

**Request** – A message originating an interactive series of messages;

**Response** – A message containing a reply to a request or acknowledging receipt of a request;

**Retrieval Reference Number** – An alphanumeric code used to uniquely identify each transaction;

**Reversal** – A message informing the receiver of the original message that the message cannot be processed as instructed, i.e; is undeliverable, unprocessable, or cancelled by the receiver;

**SCD** – *Interac* Shared Cash (ATM) service

**Switch** - The component in a system in which all network (IDP and ABM) terminals tie directly into the

Front-End Switch, which then switches Transaction information to on-us and not-on-us destinations;

**Transaction** – A combination of related request and response messages;

**Transaction Date** – The date, based on local time of the IDP terminal or ABM, on which a Transaction was initiated by a Cardholder;

**Transaction Record** – The record of the IDP or SCD Transaction provided to the Cardholder by the Acquirer or Card Acceptor;

**Transaction Type** – A means of differentiating between Transactions; The highest category differentiates between a debit and credit to the Cardholder's account; Within a debit or credit action, Transactions may be further broken down to identify purchases, merchandise returns, reversals, etc;

**Unattended Terminal** – A type of IDP terminal used under normal conditions by a Cardholder to purchase goods and/or services without assistance from Card Acceptor staff;

**Zone Encryption** – A network security technique in which different Keys are used to protect a message in different areas/connections of a network;