

---

**EASTERN CARIBBEAN CURRENCY UNION  
AUTOMATED CLEARING HOUSE (ACH)  
REQUEST FOR PROPOSAL (RFP)**



*Prepared by  
Banking and Monetary Operations Department*

**EASTERN CARIBBEAN CENTRAL BANK  
ST KITTS**

---



## TABLE OF CONTENTS

|      |  |    |
|------|--|----|
| 1.0  | BACKGROUND .....   | 1  |
| 2.0  | CURRENT CHEQUE CLEARING PROCESS.....   | 1  |
| 3.0  | ISSUES WITH THE CURRENT SYSTEM.....  | 3  |
| 4.0  | ACH IMPLEMENTATION OBJECTIVES .....  | 3  |
| 5.0  | STANDARDS ADOPTED BY THE ECCU .....  | 4  |
| 5.1  | Magnetic Ink Character Recognition (MICR) .....                              | 4  |
| 5.2  | Standards for Cheque Imaging and Data Exchange.....                          | 5  |
| 5.3  | ACH Standards for Electronic Funds Transfers.....                            | 5  |
| 6.0  | PURPOSE OF REQUEST FOR PROPOSAL (RFP) .....                                  | 5  |
| 7.0  | FUNCTIONAL REQUIREMENTS FOR THE SOLUTION.....                                | 6  |
| 7.1  | Minimum Transaction Sets.....  | 7  |
| 7.2  | Minimum Clearance And Settlement Capability.....                             | 8  |
| 7.3  | Anti-Money Laundering (Aml) And Anti-Fraud Management Tools/Provisions ..... | 8  |
| 7.4  | Minimum Foreign Exchange Support .....                                       | 9  |
| 7.5  | Other System Functionalities .....   | 9  |
| 7.6  | Online Inquiry and Reports .....   | 9  |
| 7.7  | Implementation Target .....  | 10 |
| 7.8  | Technical Considerations .....   | 10 |
| 7.9  | Other Considerations .....   | 14 |
| 8.0  | Contact At ECCB.....   | 16 |
| 9.0  | PROPOSAL CONTENT AND FORMAT.....   | 16 |
| 9.1  | Content .....  | 16 |
| 9.2  | Desired Format.....  | 17 |
| 10.0 | INSTRUCTIONS FOR SUBMISSION OF PROPOSAL .....                                | 21 |
| 11.0 | EVALUATION AND SELECTION .....   | 21 |
| 11.1 | Stage 1: Proposal Evaluation .....   | 21 |
| 11.2 | Stage 2: Presentation, Demonstration and Selection .....                     | 22 |
| 12.0 | CONTRACTUAL TERMS AND CONDITIONS .....                                       | i  |

## **1.0 BACKGROUND**

The Eastern Caribbean Currency Union (ECCU) refers to the jurisdiction of the Eastern Caribbean Central Bank (ECCB) that shares the Eastern Caribbean Dollar. The ECCU comprises of Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines. The countries are island states, physically and politically separated. While there is a functional cooperation between the states in the area of monetary policy, the countries function as individual financial spaces.

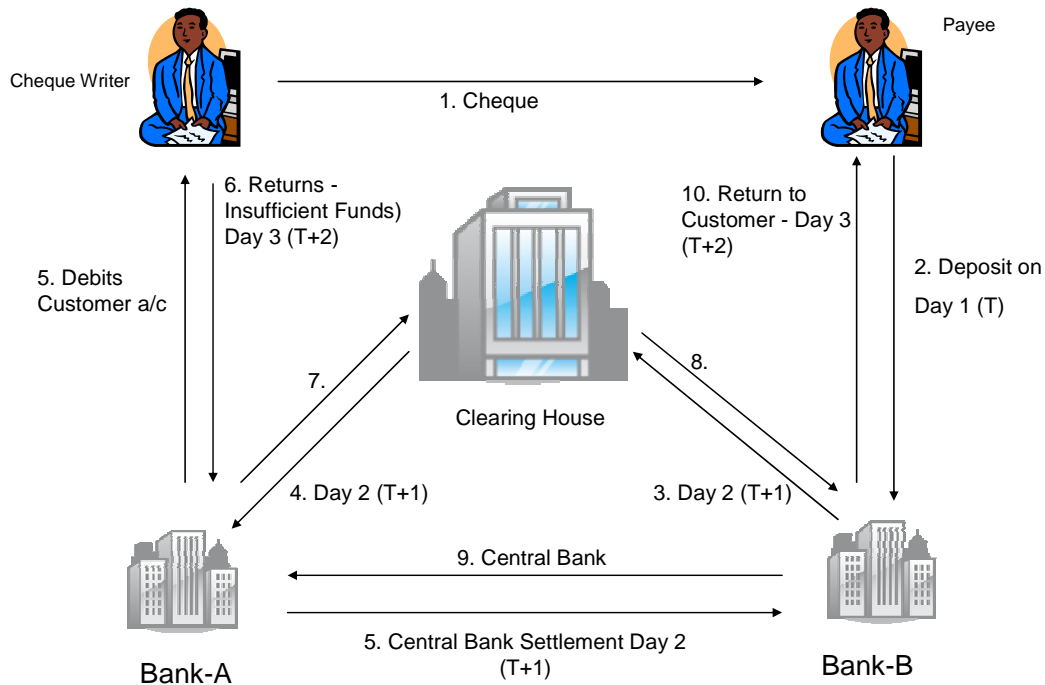
## **2.0 CURRENT CHEQUE CLEARING PROCESS**

The ECCB operates a net settlement system for the clearing of cheques drawn on authorised banks operating within the ECCU. Each business day a clearing settlement is conducted in each jurisdiction. The process involves banks physically transporting cheques drawn on each other to the ECCB offices for settlement, where they are exchanged. Detailed obligations and receipts are tallied and a net position derived. This net position is then processed manually by the Central Bank, through its Real Time Gross Transfer System (RTGS) to settle obligations and receipts between all parties. Approximately 25,000 cheques are exchanged between participants daily.

Given the system's infrastructure, two different clearing mechanisms are utilised in the ECCU. These are the clearing of cheques within the same territory (i.e. the payer's and the receiver's banks are in the same territory) and secondly, the clearing of cheques where two banks are located in different territories. The majority of cheque clearance (99%) currently occurs within the same territory and takes T+2 days for main branches (illustrated in Figure 1) and T+3 days for out of town branches.

Figure 1 Local Clearing Process

## Current Paper-based Cheque Clearance System



Cheques presented in one ECCU territory but drawn on a bank in another ECCU territory are not presented through the clearing house of the territory where the cheque was received. In those instances the cheques would be sent on collections to a correspondent bank in the territory where the cheque is drawn. The correspondent bank would then present the cheque through the local clearing house arrangement. The funds received would then be credited to the depositor's bank's account with the appropriate notification. This arrangement takes T+10 to 27 days to settle the transaction.

Currently, all cheques must be physically presented to the issuing branch. Therefore, inter-territory cheques take a longer time than same territory cheques as the physical cheque must be delivered via the post or courier to the issuing bank.

### **3.0 ISSUES WITH THE CURRENT SYSTEM**

Inter-island payments have been mostly stymied as there is no infrastructure to support the efficient means of payments between the countries. In addition, the infrastructure supports a heavy reliance on cash and cheques and does not encourage alternate means of making retail payments. Alternate payment products mainly consist of cards modelled after a consumer to business model. Generally, there are no efficient alternatives to cash, cheques and costly wire transfers for making consumer to consumer, business to business and business to consumer payments, resulting in less than optimal business activity.

The ECCB's primary concern is the effective and efficient settlement of retail payments within the ECCU which includes all payment models. The ECCB is of the view that without an efficient infrastructure to facilitate payments and settlements of the transactions, economic growth within the ECCU will be negatively impacted. The Bank has already seen indications that multiple pools of liquidity are being maintained to facilitate settlement of the various payment instruments. A separate pool of liquidity is being maintained for settlement of card transactions, compared to liquidity being maintained for settlement of cheque related transactions. In addition, inter-island economic activity remains depressed due in part to a lack of efficient infrastructures.

### **4.0 ACH IMPLEMENTATION OBJECTIVES**

The ACH's objective is to:

1. Develop/implement a cost efficient clearance and settlement mechanism for retail payments which meets international standards
2. Facilitate the functional realization of the ECCU Single Financial Space initiative.
3. Reduce credit and other risks in the retail payment system of the ECCU.

The critical success factors regarding the implementation of the ACH will therefore be reflected in:

1. The automated receipt/upload of payment instructions in multiple file formats from any end-user through a system participant to a final beneficiary.
2. Seamless interface with a variety of internal and external applications, including the RTGS at the ECCB for efficient settlement of multilateral netted positions.
3. The performance of multiple intra-day clearance for cheque and electronic transactions.
4. The performance of regional (inter-territory) transaction clearance and settlement as seamless as intra-territory clearance and settlement.
5. The accommodation of expedited cheque clearance and settlement for items designated as large value.

## **5.0 STANDARDS ADOPTED BY THE ECCU**

The ECCB recognises the role that Magnetic Ink Character Recognition (MICR) and image exchange and processing plays in improving the automated processing of cheques. The ECCB further recognises the role that such initiatives could play for the ECCU in facilitating cheque truncation and improving the conduct of retail transactions across the ECCU. Therefore, in consultation with the commercial banks, the ECCB has adopted the following standards to support the automated processing of cheques and retail electronic funds transfers through the ECCU:

### ***5.1 MAGNETIC INK CHARACTER RECOGNITION (MICR)***

**In December 2004, the ECCU adopted the Canadian Payment Association (CPA) Code 006 Standards for MICR and cheque standardisation. These standards can be accessed via the http link: [www.cdnpay.ca/rules/pdfs\\_rules/standard\\_006.pdf](http://www.cdnpay.ca/rules/pdfs_rules/standard_006.pdf)**

## **5.2 STANDARDS FOR CHEQUE IMAGING AND DATA EXCHANGE**

The X9.100-180 standard supports multiple currencies, the widest range of image formats in image exchange, and is extensively utilised in Canada's image exchange. It offers currency and image flexibility beyond those supported by the other two standards and therefore will offer the ECCU ACH all of the following benefits:

1. An internationally accepted standard.
2. Multiple currency support to facilitate, if necessary, the clearing of multiple currencies locally through the ACH and would bode well for any future integration with other ACHs.

*In March 2010, the ECCU adopted the American National Standards Institute's (ANSI) X9.100-180 standard for cheque image exchange. To support X9.100-180, the ECCU is considering the adoption of ANSI X9.100-181. Vendors would be expected to provide additional guidance and assistance with the finalisation of the specifications and rules to accompany efficient image exchange.*

## **5.3 ACH STANDARDS FOR ELECTRONIC FUNDS TRANSFERS**

The National Automated Clearing House Association's standard for electronic payments was adopted by the ECCU in March 2010. The Standard was recognised for its international appeal and wide use in North America as the default standard for electronic funds transfers through an ACH environment. The Vendor is expected to participate in the review, finalisation and adoption of the rules to support the NACHA Standards.

## **6.0 PURPOSE OF REQUEST FOR PROPOSAL (RFP)**

This RFP seeks a solution system and/or processes that would support a modern ACH and achieve the objectives highlighted. This RFP seeks for Vendors to propose and deliver a cost effective and complete end-to-end solution that encompasses all aspects of a modern cheque clearing operation combined with an electronic funds transfer

system preferably on a turnkey basis which meets international standards. The complete solution should include the following:

1. Recommendations on operations, processes and procedures to maximize efficiency and minimize cost.
2. Hardware and Software components and expected costs
3. Recommendations regarding staffing requirements
4. Back-up data storage and processing configuration
5. Training approaches and costs for ECCB as the operators of the ACH.
6. Training approaches and costs for the participating commercial banks in the preparation and processing of cheques and payment data for submission to the ECCU ACH.
7. Project management for support and administration of the Project activities.
8. Detailed Installation and Implementation Plan.
9. Proposal for maintenance and ongoing system support.
10. Provisioning for the Online Inquiry, Billing and Reporting capabilities.
11. Provisioning for Archival and Retrieval Systems.
12. Provision for Settlement Facilities for the recommended system – including General Ledger Interfaces and accounting approaches.
13. Capabilities for High Value Same Day Processing.
14. Capabilities for special Cheque clearing Process.
15. Capabilities for Electronic Funds Transfers (EFT).

## **7.0 FUNCTIONAL REQUIREMENTS FOR THE SOLUTION**

The following are the basic business requirements of the ACH for the Eastern Caribbean Currency Union.

## 7.1 *MINIMUM TRANSACTION SETS*

1. *Direct Debits* (debit transfers) – involves instructions from beneficiary to paying bank, to debit the account of a consenting payer on a routine basis.
  - Utility bill payment;
  - Subscriptions;
  - Hire purchase and loan instalment payments.
  
2. *Direct Payments (credit transfers)* - batch or singular, these transactions involve an entity (individual or corporate) issuing credit(s) for single or multiple beneficiaries.
  - Corporate payments;
  - Wages and salaries;
  - Tax payments;
  - Tax refunds;
  - Social security benefit payments;
  - Other payment between two parties provided that both parties have accounts with a system participant;
  - Bill payments;
  - Money transmission.
  
3. *Cheque Clearance and Settlement* – involves the uploading of images and transaction details of cheques at the participants or at a centralised hub, the transmission of files to system participants and the processing of payments against the relevant information. This facility should also facilitate the expedited exchange and settlement of items exceeding a specified value.
  
4. *Electronic Transactions Clearance and Settlement* – this is a derivative of direct payments, where financial institutions use the ACH to settle among themselves and to settle with Merchants directly. This is useful in credit and charge card settlement, where banks settle via the ACH netting process instead of directly through bilateral accounts at a specific bank. In addition, the arrangement can

facilitate institutions such as American Express either directly or through a principal, settling payments with its merchants. This settlement mechanism would also be used to settle in any ATM sharing/interoperability arrangement.

## ***7.2 MINIMUM CLEARANCE AND SETTLEMENT CAPABILITY***

1. System must capture the clearing information (Account number, amount, and type of transaction) from cheques or electronic media.
2. System must distribute this information through the clearing system to the destination bank in a timely manner.
3. System must accommodate debit caps, where a maximum amount for any individual transaction can be set before requiring enhanced risk monitoring and processing.
4. System must be able to accommodate expedited (special clearings) for items exceeding specific values.
5. System must have the ability to conduct multiple clearing cycles throughout the day (at least two cycles per day).
6. System must generate settlement totals and posting information to each participant bank including the Central Bank.
7. System should be able to run clearing cycles for specific transaction types or in mass. This would be useful for isolation of any problems.
8. System must handle return items as part of daily operations.

## ***7.3 ANTI-MONEY LAUNDERING (AML) AND ANTI-FRAUD MANAGEMENT TOOLS/PROVISIONS***

1. The system should have the capability to actively monitor individual transactions against specified models to assess risks to the system.
2. The system should have the capability to flag suspicious transactions for further follow-up by receiving institution (based on specified criteria), or check to ensure that the initiating institution has validated the transaction as “no-risk”.

#### ***7.4 MINIMUM FOREIGN EXCHANGE SUPPORT***

1. The system should facilitate USD denominated payments at a fixed exchange rate.
2. The solution should be sufficiently scalable to enable the addition of cross-border gateway capabilities for connectivity to international ACHs.

#### ***7.5 OTHER SYSTEM FUNCTIONALITIES***

1. Duplication avoidance – prevent the same file from being processed more than once.
2. Acceptance of multiple file formats and performance of necessary conversion into ACH format.
3. Performance of validity checks on data before leaving originating institution (routing number, transit number, date, amount etc).
4. Execution of offsetting entries to designated contra accounts on all files sent to a receiving institution.
5. Production of files in multiple formats taking cognisance of proprietary transaction codes, for receiving institutions.
6. Support concurrent access to the system from each participating financial institution (operator, system administrator, treasurer, etc).
7. Performance of search operations using a variety of operands (used singularly or in combinations) such as routing number, transaction date, amount).
8. Identification of non-financial institution originators, for activities such as direct payments.

#### ***7.6 ONLINE INQUIRY AND REPORTS***

The proposed solution should provide for the production of activity reports based on a variety of operands (used singularly or in combinations) such as user and transaction date. Inquiries/reports should be accessible online with real-time access to data. There should be a flexible report writer that can be used by ECCB IT staff to develop new report formats.

## **7.7 IMPLEMENTATION TARGET**

The ECCB would like to have the proposed solution implemented in the production environment by 2 April 2011. A phased implementation approach can be considered.

## **7.8 TECHNICAL CONSIDERATIONS**

### **7.8.1 Connectivity**

It is imperative that the infrastructure not only be efficient but readily accessible. Therefore, access may be provided by a point of presence (POP) in each territory or alternatively an economical and efficient means of facilitating same day settlement service for less time sensitive retail payments. This may involve either dial-up at local costs or continuous link via a VPN of some sort.

### **7.8.2 System Availability**

1. The system should be accessible on a 24x7 basis.
2. Should have 100% uptime reliability.

### **7.8.3 Business Continuity/Contingency**

1. The solution must have a robust business continuity and business contingency functionality that allows for individual territory settlement in the event of a problem with the Central Server(s)/Switch(es). Therefore, in the event of inaccessibility to central processing local servers would fail over to facilitate at minimum local clearing and settlement on a territory basis.
2. The system should support arrangements for primary and secondary server configurations with mirroring functionalities.
3. End-of-day/next settlement cycle period guaranteed for ECCU wide payments. The system must be recoverable within a clearing cycle. Where there is more than one cycle intra day, an end of day failure must provide settlement by the first cycle for the next business day.

#### **7.8.4 Standards**

It is particularly important that any standards which are to be used are adequately described. This should include international standards, adaptations of international standards or standards defined by the Vendor. Compliance and compatibility with the standards adopted for the ECCU should be detailed.

#### **7.8.5 Network Architecture**

This project aims to create a single financial space for the ECCU. The required network to support this arrangement including but not limited to nodes of access, points of presence, servers, dial-up, and physical arrangements.

#### **7.8.6 Hardware**

The proposed solution should describe and provide costs for all hardware required to deliver full functionality on an ECCU level. This means that the necessary technology for all aspects of the designed solution architecture should be described – for both central site(s) as well as distributed locations (if required). The proposed solution should indicate what is possible, given the tasks and volumes and should specify what equipment is required to meet processing deadlines as would be established within the rules.

#### **7.8.7 Computer System**

A computer system of appropriate performance capable of accommodating current volume (with some capacity for minor growth) and configuration should be quoted and it should contain following minimum features/facilities:

1. A system architecture supporting an industry standard operating system.
2. Redundancy and Business Continuity Planning – with sufficient data back-up resources and refresh cycles.
3. System must be produced by a reputable manufacturer and be capable of upgrades.

### **7.8.8 System Software:**

An industry standard operating system for the solution is preferable and should, at a minimum, be able to support:

1. Multi-user and efficient multi-programming.
2. Remote diagnostics.
3. Industry standard network protocols.

### **7.8.9 Application Software:**

The proposed solution must be able to meet existing and projected volumes and be readily upgradeable to increase capacity if required. It should be able to meet all critical cut-off times as mentioned above in addition to providing smooth, user-friendly facilities and features.

### **7.8.10 System Security Requirements**

The proposed solution must conform to industry security standards such as C-2 level security standards. Security and encryption standards must conform to industry best practice and should cover:

1. Security of data whilst in transit over the network. Network security must include appropriate encryption, preferably 256 bit.
2. Security of data whilst stored in the central repository. This must cover transient and permanently stored data.
3. Physical and virtual Access security.
4. Archival methodology.
5. Access by individual users must be monitored and logged including logon attempts and data modification audit trails.
6. Recommendations should be included for security of the facilities with security features included in the respective designs.

#### **7.8.11 Site Requirement:**

Suitable site proposals should be made for proposed solution facilities for the proper and safe processing of transactions. While initial premises will be provided at the ECCB to facilitate development, testing, customisation and some certification, the ECCB wishes to outsource the operations of the ACH. Therefore, the successful Vendor will be responsible for advising on the design, delivery, storage, construction and furnishings of the proposed site. In addition, the successful Vendor would be required to assist in the selection of any service provider, including but not limited to the preparation of any RFP and the final selection process.

#### **7.8.12 Archival and Retrieval System**

The solution should provide for archival and retrieval of key records using reliable storage media. The solution should provide options based on cost for the on-line storage of images and/or data for approximately 30 days. There should be alternatives for the longer term storage needs of the ECCU ACH.

#### **7.8.13 System and Technical Documentation**

The solution must provide for general functional description, installation guide, user guides (including screen layouts, report formats, processing rules, job aids and error handling procedures), system and database administration guides, audit trail guide, security guide and a Glossary of terms. Documentation must be in English.

#### **7.8.14 Upgrades and Source code**

An upgrade path and methodology should be provided. The application provider will maintain ownership of the source code; ECCB will license its usage through the commission of a license agreement and maintain a copy of the source code in escrow. There will be a period of acceptance testing after the system is installed and tested. There should be a recommendation for a process for system acceptance testing and roll-out of the system in a phased manner.

### **7.8.15 Interfaces**

It is essential that the system automatically sends and receives data to and from other applications without manual intervention. Similarly the system must automatically pass data to other systems for display or further use. These facilities should provide the option for selected review of data before acceptance and conversion to new record formats. Record formats must conform to accepted industry standards.

### **7.8.16 Installation, Commissioning and Technology Transfer**

The installation and commissioning of the ECCU ACH should be on a turnkey basis with appropriate scheme for technology transfer within shortest possible time. It is expected that the construction/acquisition of processing sites, installation and training of both ECCU ACH staff and participants be completed within one year. The roll-out should take place in nine months or less.

## **7.9 OTHER CONSIDERATIONS**

### **7.9.1 Implementation**

There should be a detailed implementation plan for all sites starting with a restricted roll out with a limited number of banks as sites are made available by ECCB. Implementation (installation) and training is expected to take approximately one year with the roll-out to start at the end of that period. The implementation plan should indicate the level of effort and required resources from ECCB and all participating banks for all phases of the project.

### **7.9.2 Warranty costs**

The ECCU ACH will require a warranty from the successful Vendor that covers the entire system and all work that is provided by the successful Vendor under the contract resulting from this RFP, including, without limitation: all software, equipment, cabling, and other deliverables; network design and other designs and studies furnished and/or used in the implementation of the System; and implementation/integration services, site construction services, and any other services required under the contract

resulting from the RFP. The warranty will guarantee that the System will conform to the contract statement of work and to all technical specifications, performance standards, and designs for the System that are incorporated in the contract and/or furnished as deliverable under the contract.

The warranty must be on a “turnkey” basis – i.e. the successful Vendor must itself be contractually responsible for all warranty obligations and must be the single point of contact for service under the warranty. ECCB expects a warranty period commencing on final acceptance of the System by the ECCB. The cost of a two-year warranty must be included in the fixed price cost proposal with the cost identified in a separate line item. Any premium charged for a warranty year – i.e. any charge in addition to the cost for a concurrent year’s maintenance and support services – should be clearly identified in the cost proposal. Specific proposal of how local maintenance will be performed for each proposed component should be included.

### **7.9.3 Human Resource Requirements (and their development)**

Proposals must include recommendations for staffing levels to proficiently manage and operate the clearing system. Consideration should be given to the intention of the ECCB to outsource the operations of the ACH and as such recommendations should discuss the best arrangement (hosting or outsourcing) and highlight minimum requirements of any service provider.

### **7.9.4 Project Management**

Proposals should provide a seasoned payment and clearing consultant with project management skills and thorough experience in project design, tracking and implementation. This should include a detailed implementation plan, plan for project management with provision for project management and tools such as MS Project during implementation. Vendors should note that the ECCB intends to finalise vendor selection by the end of September 2010 and would require the accepted Vendor to be onsite within 30 days of notification.

### **7.9.5 Training**

There should be an approach and costing for training courses for end-users and for trainers in English. Training must be specific for operational personnel, IT Support staff and relevant administrative personnel. Train the trainer programmes may be detailed as an option. If this option is used, it should detail how the trainers will be selected, certified and monitored. Required training documentation must be prepared in English.

## **8.0 CONTACT AT ECCB**

For questions and/or clarifications, kindly contact:

Mr. Alex Straun  
Deputy Director  
Banking and Monetary Operations Department  
Eastern Caribbean Central Bank  
P O Box 89  
Basseterre  
St Kitts  
Telephone: 869-465-2537 (ext. 607)  
Fax: 869-465-5614  
**Email:** [alex.straun@eccb-centralbank.org](mailto:alex.straun@eccb-centralbank.org)  
**Copied to:** [bmod-sec@eccb-centralbank.org](mailto:bmod-sec@eccb-centralbank.org)

## **9.0 PROPOSAL CONTENT AND FORMAT.**

### **9.1 CONTENT**

Proposals should demonstrate:

1. Your understanding of the ECCU's needs and the importance of this project.
2. The tangible results you expect to achieve

3. Your firm's sincere commitment to perform the scope of work in an efficient and timely manner.
4. How you will effectively integrate this project into your firm's current obligations and existing workload.
5. Why your firm should be chosen to undertake this work at this time.

PROPOSALS NOT ADHERING TO THE PRESCRIBED FORMAT WILL NOT BE CONSIDERED.

## **9.2 DESIRED FORMAT**

### **9.2.1 Title Page**

The Proposal must have a Title Page, signed by a person or persons authorised to submit the proposal. The Title Page must clearly identify the institution and indicate specific points of contact for discussions and clarifications of the proposal. Such points of contact will include names, titles, address (including email, if available), telephone, and facsimile numbers.

The Title Page must explicitly indicate if the firm does or does not accept the ECCB's standard contractual terms and conditions as identified in Appendix I. In the event that the firm does not accept or wishes to discuss alternative terms and conditions, the firm must explicitly indicate which terms are not accepted and propose specific alternative language as appropriate.

### **9.2.2 Proposed Solution**

The solution being proposed should be described in detailed and may be categorised as follows:

#### **9.2.2.1 Operational Considerations**

Consistent with the Functional Requirements Sections 7.1 through 7.6, outline how the proposed solutions will address the requirements identified. The description should

cover the core system and any optional components which are offered. The proposed clearing cycle should be described in as much detail as possible. If new processes and/or documents are to be used these should be fully explained. The cheque clearing and settlement cycle described in the document is given as an example. Vendors should feel free to provide alternative scenarios if they feel that they are more appropriate. The reporting capabilities of the system should be explained. Standard reports and ad-hoc reporting capabilities should be explored.

#### *9.2.2.2 Technical Considerations*

This section should cover but not be limited to Section 7.8 of the RFP. Given the proposed change in operations, it is envisaged that there may be substantial technical investments including but not limited to hardware, software and the physical site. Any integration facilities provided in the proposed solution must fully be explained. In particular, it should be made clear what will be required of member banks. The success of this project will be very much dependant on member banks fully understanding the effort and expenditure which they will be expected to make. Consideration should be given to possible nodes or points of presence to facilitate interfacing of banks not compliant by implementation date.

#### **9.2.3 Project Approach and Management**

Vendors should provide an outline of the approach which they will follow to achieve the project objectives. Each phase of the proposed approach should be described. It should detail the objectives, milestones and deliverables of each phase.

Project management and staffing should be clearly described. The responsibilities of each project participant should be defined.

Key dependencies should be identified. The responsibilities of Central Bank and any other project participants, other than the Vendor's staff, must be explained. The

Vendor should cover but not limit its responses to the issues highlighted in Sections 7.7 and 7.9.

#### **9.2.4 Outline Project Plan**

An outline project plan which reflects the project approach should be provided.

#### **9.2.5 Project Costs**

Project costs need to be described. Costs should contain the following:

- Initial costs
  - Hardware costs
  - Software costs
  - Staffing costs
  
- On-going Running Costs
  - Hardware costs
  - Software costs
  - Staffing costs

The above information must be provided for:

- Core Solution
- Options

Vendors must state all proposed pricing to complete the work. Pricing information should not appear in any other section of the proposal. The pricing proposal must state the period of validity of the stated prices, which must be no less than a period of 120 days from the date of submission of the proposal. The ECCB will not be responsible for any costs incurred by the firm in the preparation of their submissions.

Pricing of any professional fees as part of the solution are to be quoted on a specific basis (i.e., fixed or cost plus, based on hours worked etc). The composition of the

proposed professional fees must set out a schedule listing, for each category of personnel included in the proposed project team, the total estimated hours, hourly rate, and estimated total professional fees. The vendor should also provide in the relevant sections, estimates of project-related expenses (for example, travel, courier), including a not-to-exceed amount representing a percentage of total proposed professional fees, and should propose a formula for assessing the amount of progress payments on a phase completion basis.

All pricing must be quoted in EC\$ (US\$1.00 = EC\$2.70) and must represent the actual price to be paid (please show all Taxes/VAT separately).

#### **9.2.6 Vendor Profile**

It is important that Vendors can exhibit their ability to deliver relevant solutions. Vendors should provide relevant information which exhibits previous experience of providing solutions. In particular, vendors must show experience in providing both combined image based cheque clearing and electronic funds transfer solutions. Experience in providing solutions across multi regional arrangements is an asset.

The Central Bank will contract with one Vendor. If the Vendor intends to sub-contract any part of their part of the project, this should be clearly indicated. Details of any proposed sub-contractors must be provided.

#### **9.2.7 Vendor References and Previous Projects**

Please provide previous project details and reference information which Central Bank can use to confirm the veracity of information provided. (This applies to sub-contactors also.) The Vendor must provide at least three references for similar installations. Installations performed in multi region jurisdictions are of particular interest.

## **10.0 INSTRUCTIONS FOR SUBMISSION OF PROPOSAL**

The proposal must be placed in ‘PRIVATE AND CONFIDENTIAL’ envelopes clearly marked “TENDER FOR PAYMENT SYSTEM IMPROVEMENT PROJECT – Automated Clearing House (ACH)” and must be addressed to:

Managing Director  
Eastern Caribbean Central Bank  
P O Box 89  
Basseterre, St Kitts

ATTENTION: Director, Banking and Monetary Operations Department

**The proposal must reach the Eastern Caribbean Central Bank by 31 August 2010.**  
A Soft Copy may also be submitted to the ECCB at the email address [bmod-sec@eccb-centralbank.org](mailto:bmod-sec@eccb-centralbank.org).

## **11.0 EVALUATION AND SELECTION**

The Evaluation and Selection process will take place in two successive stages as detailed below, during which your proposed solution will be evaluated in order to identify the Best Solution for the ECCU.

### ***11.1 STAGE 1: PROPOSAL EVALUATION***

The proposal will be reviewed by an internal committee comprised of personnel from the Internal Audit, Legal Services, Accounting, Banking and Monetary Operations, and Management and Information Systems Departments. The criteria on which the proposals will be evaluated are listed below:

1. Feasibility of the proposed solution
2. Competitiveness of the Cost Proposal

3. Vendor expertise
4. Quality of ongoing support
5. Delivery Schedule

The ECCB reserves the right not to award, award part of, or award the entire contract for the required services for any reason that is, in its opinion, in the best interest of the ECCB.

***11.2 STAGE 2: PRESENTATION, DEMONSTRATION AND SELECTION***

In addition to submission of the Proposal by the date stated in the ‘Proposal Requirement’, a Vendor who is successful in Stage 1 may, at the option of the ECCB, be required during the evaluation process to make a formal presentation and/or attend a meeting to discuss the Proposal. The ECCB reserves the right to contact any references that may be listed in the Proposal to validate any claims made by the Vendor.

## **12.0 CONTRACTUAL TERMS AND CONDITIONS**

### **Terms of Engagement**

1. The ECCB engages the Vendor for [a term to be agreed] and the Vendor shall in accordance with the terms and conditions outlined in the Agreement provide to the ECCB the services described in the Agreement.
2. The Vendor shall perform the services as set out in the Agreement solely as an independent contactor of the ECCB and neither the Vendor nor any of its agents, employees or servants shall be considered an agent or employee of the ECCB.

### **Confidentiality**

3. The Vendor agrees that it shall require each person assigned to perform work hereunder to abide by the following non-disclosure conditions:
  - a) not to disclose, deliver to, or use for the benefit of any person other than the ECCB or its authorised agents, any restricted or confidential information or material he or she receives from the ECCB, other than material or information previously in the records of the undersigned or obtainable prior to such disclosure, delivery, or use from third parties or from the public domain;
  - b) to adhere to any policies or instructions provided by the ECCB as to the classification, use or disposition of any restricted or confidential information or materials;
  - c) not to use any restricted or confidential information or material for personal gain;
  - d) after the completion or termination of the Agreement, will continue to adhere to the first three clauses above and;
  - e) (if applicable) to report the termination of the permitted period of access to ECCB's network to the ECCB.

**Assignment**

4. The Vendor shall not assign or sub-contract the Agreement, in whole or in part, without first obtaining the ECCB's written consent and it shall be a condition of any consent to any sub-contract of the Agreement that the Vendor shall:
  - a) ensure and be responsible for the compliance by any sub-contractor with the terms of the Agreement;
  - b) include in the sub-contract, provisions consistent with the terms and conditions of the Agreement for the benefit of and enforceable by the ECCB; and
  - c) furnish the ECCB with copies of any sub-contract upon the ECCB's request at any time.

**Disputes**

5. The Vendor agrees that if any difference shall arise between the Vendor and the ECCB as to any claim against the Vendor or as to any matter touching the rights, duties and liabilities of the Vendor or the ECCB or otherwise in any way relating to or arising out of the Agreement such difference shall be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 6, Laws of St Christopher and Nevis or any statutory modification thereof.

**Insurance and Liability**

6. The Vendor agrees
  - a) to indemnify the ECCB from and against any and all loss, damage, liability (whether criminal or civil) suffered including any legal fees and costs incurred, resulting from a breach of Agreement by the Vendor and/or arising in connection with the performance of the Agreement by the Vendor.
  - b) to maintain at its own expense such insurance as will fully protect both the firm and the ECCB from any and all claims of whatever kind or nature for the damage to property including monetary loss or for personal injury, including

- death, made by anyone whomsoever, that may arise from operations carried on under the Agreement by the firm.
- c) that the maintenance of such insurance is the sole responsibility of the Vendor, and the ECCB shall not be required to bear any of the cost thereof
  - d) to submit Certificates of Insurance evidencing the coverages required herein upon execution of this Agreement.

### **Changes**

- 7. The ECCB may, at any time, by written order, require changes in the services to be performed by the Vendor. If such changes cause an increase or decrease in the Vendor's cost of or time required for performance of any services under the Agreement, an equitable adjustment shall be agreed by the ECCB and the Vendor and the Agreement shall be modified in writing accordingly. In addition, the ECCB must pre-approve all work which is beyond the scope of the Proposal. No services for which an additional cost or fee will be charged by the Vendor shall be furnished without the prior written authorisation of the ECCB.

### **Acceptance Testing**

- 8. The ECCB reserves the right to undertake acceptance testing at each phase of the Project. This is crucial in determining whether the product satisfies the ECCB's requirements.

### **Consideration**

- 9. In full consideration for the services performed by the Vendor under the Agreement, the ECCB shall pay to the Vendor [the contract price] in installments as specified in the Agreement.
- 10. All payments will be made against original invoices delivered to the ECCB at its principal office by the Vendor to the following:

The Managing Director

Eastern Caribbean Central Bank  
P O Box 89  
Bird Rock  
Basseterre  
St. Kitts

### **Electronic Communication**

11. Notwithstanding any other provision in the Agreement, the parties agree and acknowledge that any emails or other electronic transmissions dispatched by one party to the other for the purposes of the Agreement, shall be subject to the following terms:-

- a) neither party makes any warranty to the other that any information or other notice, instruction or document sent by email or other electronic transmission shall be free from viruses or other harmful defects or components or that it will be secure or confidential and each party acknowledges that information sent by email or other electronic transmission may be intercepted, lost or destroyed, falsified, corrupted or delayed in transmission;
- b) each party undertakes to the other to take such steps as are reasonably within its power to ensure that its computer systems do not contain or include viruses and defects but do include firewalls, screening mechanisms and other software designed to identify and prevent contamination of its computer systems by viruses and other defects, and that it will not knowingly send an email or other electronic transmission to the other party containing any such virus or defect;
- c) neither party shall be liable to the other, whether in contract, tort or otherwise for any direct, indirect or consequential loss arising solely from its use of email or other electronic transmission to send information to the other or the inability of either party to use the information sent by email or other electronic transmission, or for damages or injuries caused by any computer virus, theft or unauthorized access or any power, equipment or software failure or malfunction; and

- d) each party shall be entitled to use email to provide to the other advice, instructions, valuations, reports, data, information and generally to communicate on any matter for the purposes of the Agreement save that in the event that any email is sent by one party to the other which contains information of an important nature, the party sending the email shall additionally and promptly communicate with the other by facsimile.

### **Warranty**

12. The Vendor warrants that all services provided under the Agreement shall be furnished in a manner consistent with industry standards and the level of professional skill generally acceptable in the industry with regard to services of this kind.
13. The Vendor warrants that any material [hardware or software] used shall be fit for the intended purpose and of good quality and workmanship and that all services, materials, and workmanship used shall be free from errors and defects and shall conform to all applicable specifications.

### **Entire Understanding**

14. The Agreement embodies the entire understanding of the parties in respect of the matters contained or referred to in it and there are no terms, conditions or obligations, oral or written, express or implied other than those contained in the Agreement.

### **Notice**

15. A notice under the Agreement shall be in writing and may be delivered personally or sent by airmail, email or by fax, as follows:
  - a) if to **the ECCB**, to:

Eastern Caribbean Central Bank  
P O Box 89  
Basseterre  
St Kitts

Fax: (869) 466-2474

Email: (fill in)

**Marked for the attention of:**

Director, Banking and Monetary Operations Department

b) if to **the Vendor**, to:

(fill in address)

**Marked for the attention of:**

(fill in name)

or to another person, address or fax number specified by the relevant party by written notice to the other.

16. In the absence of evidence of earlier receipt, a notice shall be deemed given:

- a) “if delivered personally, when left at the address referred to in sub-clause (1);
- b) if sent by mail, two (2) days after posting it; and
- c) if sent by fax or email, on the day of dispatch.”

**Governing Law**

17. The Agreement shall be governed by the laws of St Christopher and Nevis in every particular and shall be deemed to be made in St Christopher and Nevis.

**Termination**

18. The Agreement may be terminated by either party upon ninety (90) days written notice to the other party.