

**EAST AFRICAN COMMUNITY  
SECRETARIAT**



**BIDDING DOCUMENT (One-Envelope Bidding  
Process)**

**Issued on February 02<sup>nd</sup> 2023**

**for the**

**DESIGN, SUPPLY, INSTALLATION,  
COMMISSIONING AND MAINTENANCE OF AN  
AUTOMATED TRANSFER SYSTEM WITH  
INTEGRATED INSTANT FUNDS TRANSFER  
(ATS+) AND CENTRAL SECURITIES  
DEPOSITORY (CSD) FOR BANK OF SOUTH  
SUDAN (BOSS)**

**IFB No. EAC/PSSIP/ICB/2022/04**

**Project: EAC Payment and Settlement Systems  
Integration Project**

**Purchaser: East Africa Community Secretariat,  
Arusha -Tanzania**

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## Part 1: Bidding Procedures



# Section I - Instructions to Bidders

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# Section I - Instructions to Bidders

## General

### 1. Scope of Bid

- 1.1 In connection with the Specific Procurement Notice, Invitation for Bids (IFB), specified **in the Bid Data Sheet (BDS)**, the Purchaser, as **specified in the BDS**, issues this bidding document for the supply and installation of the Information System and, if applicable, any Related Services incidental thereto, as specified in Section VII, Schedule of Requirements. The name, identification and number of items, lots or combination of lots (packages) of this IFB are **specified in the BDS**.
- 1.2 Throughout this bidding document:
- (a) the term "in writing" means communicated in written form (e.g. by mail, e-mail, fax, including if **specified in the BDS**, distributed or received through the electronic-procurement system used by the Purchaser) with proof of receipt;
  - (b) if the context so requires, "singular" means "plural" and vice versa; and
  - (c) "Day" means calendar day, unless otherwise specified as "Business Day". A Business Day is any day that is an official working day of the Borrower. It excludes the Borrower's official public holidays.

### 2. Source of Funds

- 2.1 The Borrower or Recipient (hereinafter called "Borrower") **specified in the BDS** has applied for or received financing (hereinafter called "funds") from the Specific Financing Institution named in the BDS (hereinafter called "the Bank") in an amount **specified in the BDS**, toward the project named **in the BDS**. The Borrower intends to apply a portion of the funds to eligible payments under the contract for which this bidding document is issued.
- 2.2 Payment by the Bank will be made only at the request of the Borrower and upon approval by the Bank in accordance with the terms and conditions of the Loan (or other financing) Agreement. The Loan (or other financing) Agreement prohibits a withdrawal from the Loan account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the Borrower shall derive any rights from the Loan (or other financing) Agreement or have any claim to the proceeds of the Loan (or other financing).

### 3. Fraud and Corruption

- 3.1 The Bank requires compliance with the Bank's Integrity Framework comprising the African Development Bank Group's Sanctions Procedures, the Bank's Whistleblowing and Complaints Policy, the Bank's Procurement Policy under the Procurement Framework and any other applicable Policies and Procedures including their updates regarding corrupt and fraudulent practices as set forth in Section VI, Fraud and Corruption.
- 3.2 In further pursuance of this policy, Bidders shall permit and shall cause their agents (where declared or not), subcontractors, sub consultants, service providers, suppliers, and their personnel, to permit the Bank to inspect all accounts, records and other documents relating to any, prequalification process, bid submission, and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

### 4. Eligible Bidders

- 4.1 A Bidder may be a firm that is a private entity, a state-owned enterprise or institution subject to ITB 4.6, or any combination of such entities in the form of a joint venture, consortium, or association (JVCA) hereinafter called JV, under an existing agreement or with the intent to enter into such an agreement supported by a letter of intent. In the case of a joint venture, consortium, or association (JV): a) Unless otherwise **specified in the BDS**, all members shall be jointly and severally liable for the execution of the entire Contract in accordance with the Contract terms; b) The JV shall nominate a Representative who shall have the authority to conduct all business for and on behalf of any and all the members of the JV during the Bidding process and, in the event the JV is awarded the Contract, during contract execution; c) The maximum number of members proposed in a JV shall not exceed the number **specified in the BDS**, or the number derived from the percentage specified under ITB 4.1 (d), whichever is smaller unless both are equal, in which case anyone shall apply; and d) Participation by value of the contract as share of each of the JV partner (member) shall not be less than the percentage **specified in the BDS**. In case of any inconsistency between ITB 4.1 c) and ITB 4.1 d) that both cannot be applied simultaneously, the latter shall prevail.
- 4.2 A Bidder shall not have a conflict of interest. Any Bidder found to have a conflict of interest shall be disqualified. A Bidder may be considered to have a conflict of interest for the purpose of this Bidding process, if the Bidder:
  - (a) directly or indirectly controls, is controlled by or is under common control with another Bidder; or
  - (b) receives or has received any direct or indirect subsidy from another Bidder; or



- (c) has the same legal representative as another Bidder; or
- (d) has a relationship with another Bidder, directly or through common third parties, that puts it in a position to influence the Bid of another Bidder, or influence the decisions of the Purchaser regarding this bidding process; or
- (e) or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the Information System that are the subject of the Bid; or
- (f) or any of its affiliates has been hired (or is proposed to be hired) by the Purchaser or Borrower as Project Manager for the Contract implementation; or
- (g) would be providing goods, works, or non-consulting services resulting from or directly related to consulting services for the preparation or implementation of the project **specified in the BDS** ITB 2.1 that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm; or
- (h) has a close business or family relationship with a professional staff of the Borrower (or of the project implementing agency, or of a recipient of a part of the loan) who: (i) are directly or indirectly involved in the preparation of the bidding document or specifications of the contract, and/or the Bid evaluation process of such contract; or (ii) would be involved in the implementation or supervision of such contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to the Bank throughout the procurement process and execution of the contract.

4.3 A firm that is a Bidder (either individually or as a JV member) shall not participate in more than one Bid, except for permitted alternative Bids. This includes participation as a Subcontractor in other Bids. Such participation shall result in the disqualification of all Bids in which the firm is involved. A firm that is not a Bidder or a JV member may participate as a subcontractor in more than one Bid.

4.4 A Bidder and all parties constituting the Bidder including any subcontractors or suppliers shall have the nationality of an eligible country of the Bank in accordance with the Bank's Procurement Policy for the Bank Group Funded Operation described under the Bank's Procurement Framework, and as listed in Section V, Eligible Countries, subject to the restrictions pursuant to ITB 4.8. A Bidder shall be deemed to have the nationality of a country if the Bidder is constituted, incorporated or registered in and operates in conformity with the provisions of the laws of that country,

as evidenced by its articles of incorporation (or equivalent documents of constitution or association) and its registration documents, as the case may be. This criterion also shall apply to the determination of the nationality of proposed subcontractors or sub consultants for any part of the Contract including related Services.

- 4.5 A Bidder that has been sanctioned by the Bank, pursuant to the Bank's Integrity Framework, in accordance with its prevailing sanctions policies and procedures as set forth in the Bank's Integrity Framework as described in Section VI paragraph 2.2 d., shall be ineligible to be prequalified for, bid for, or be awarded a Bank-financed contract or benefit from a Bank-financed contract, financially or otherwise, during such period of time as the Bank shall have determined. The list of debarred firms and individuals is available at the electronic address **specified in the BDS**.
- 4.6 Bidders that are state-owned enterprises or institutions in the Purchaser's Country may be eligible to compete and be awarded a Contract(s) only if they can establish, in a manner acceptable to the Bank, that they (i) are legally and financially autonomous (ii) operate under commercial law, and (iii) are not under supervision of the Purchaser.
- 4.7 A Bidder shall not be under suspension from Bidding by the Purchaser as the result of the operation of a Bid-Securing Declaration.
- 4.8 Firms and individuals may be ineligible if so indicated in Section V and (a) as a matter of law or official regulations, the Borrower's country prohibits commercial relations with that country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of information system or the contracting of works or services required; or (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's country prohibits any import of goods or contracting of works or services from that country, or any payments to any country, person, or entity in that country. When the Information System is implemented across jurisdictional boundaries (and more than one country is a Borrower, and is involved in the procurement), then exclusion of a firm or individual on the basis of ITB 4.8 (a) above by any country may be applied to that procurement across other countries involved, if the Bank and the Borrowers involved in the procurement agree.
- 4.9 A Bidder shall provide such documentary evidence of eligibility satisfactory to the Purchaser, as the Purchaser shall reasonably request.
- 4.10 In case a prequalification process has been conducted prior to the bidding process, this bidding is open only to prequalified Bidders

- 4.11 A firm that is under a sanction of debarment by the Borrower from being awarded a contract is eligible to participate in this procurement, unless the Bank, at the Borrower's request, is satisfied that the debarment;
- a. relates to fraud or corruption, and
  - b. followed a judicial or administrative proceeding that afforded the firm adequate due process.

## 5. Eligible Goods and Related Services

- 5.1 All the Goods and Related Services to be supplied under the Contract and financed by the Bank shall have their country of origin in an eligible country of the Bank in accordance with the Bank's Procurement Policy for Bank Group Funded Operations described under the Bank's Procurement Framework, and as listed in Section V, Eligible Countries.
- 5.2 For purposes of this ITB, the term "goods" includes commodities, raw material, machinery, equipment, and industrial plants; and "related services" includes services such as insurance, installation, training, and initial maintenance.
- 5.3 The term "origin" means the country where the goods have been mined, grown, cultivated, produced, manufactured or processed; or, through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its components.

## Contents of Bidding Document

## 6. Sections of Bidding Document

- 6.1 The bidding document consists of Parts 1, 2, and 3, which include all the sections specified below, and which should be read in conjunction with any Addenda issued in accordance with ITB 8.

### PART 1 Bidding Procedures

- a. Section I - Instructions to Bidders (ITB)
- b. Section II - Bid Data Sheet (BDS)
- c. Section III - Evaluation and Qualification Criteria
- d. Section IV - Bidding Forms
- e. Section V - Eligible Countries
- f. Section VI - Fraud and Corruption

### PART 2 Purchaser's requirements

g. Section VII - Requirements of the Information System

**PART 3 Conditions of Contract and Contract Forms**

- h. Section VIII - General Conditions of Contract (GCC)
- i. Section IX - Special Conditions of Contract (SCC)
- j. Section X - Contract Forms

6.2 The Specific Procurement Notice - Invitation for Bids (IFB) issued by the Purchaser is not part of this bidding document.

6.3 Unless obtained directly from the Purchaser, the Purchaser is not responsible for the completeness of the bidding document, responses to requests for clarification, the minutes of the pre-Bid meeting (if any), or Addenda to the bidding document in accordance with ITB 8. In case of any contradiction, documents obtained directly from the Purchaser shall prevail.

6.4 The Bidder is expected to examine all instructions, forms, terms, and specifications in the bidding document and to furnish with its Bid all information and documentation as is required by the bidding document.

**7. Clarification of Bidding Document**

7.1 A Bidder requiring any clarification of the bidding document shall contact the Purchaser in writing at the Purchaser's address **specified in the BDS**. The Purchaser will respond in writing to any request for clarification, provided that such request is received prior to the deadline for submission of Bids within a period **specified in the BDS**. The Purchaser shall forward copies of its response to all Bidders who have acquired the bidding document in accordance with ITB 6.3, including a description of the inquiry but without identifying its source. If so **specified in the BDS**, the Purchaser shall also promptly publish its response at the web page identified **in the BDS**. Should the clarification result in changes to the essential elements of the bidding document, the Purchaser shall amend the bidding document following the procedure under ITB 8 and ITB 22.2.

**8. Amendment of Bidding Document**

8.1 At any time prior to the deadline for submission of bids, the Purchaser may amend the bidding document by issuing addenda.

8.2 Any addendum issued shall be part of the bidding document and shall be communicated in writing to all who have obtained the bidding document from the Purchaser in accordance with ITB 6.3. The Purchaser shall also promptly publish the addendum on the Purchaser's web page in accordance with ITB 7.1.

- 8.3 To give prospective Bidders reasonable time in which to take an addendum into account in preparing their Bids, the Purchaser may, at its discretion, extend the deadline for the submission of Bids, pursuant to ITB 22.2.

## Preparation of Bids

### 9. Cost of Bidding

- 9.1 The Bidder shall bear all costs associated with the preparation and submission of its Bid, and the Purchaser shall in no case be responsible or liable for those costs, regardless of the conduct or outcome of the Bidding process.

### 10. Language of Bid

- 10.1 The Bid, as well as all correspondence and documents relating to the Bid exchanged by the Bidder and the Purchaser, shall be written in the language **specified in the BDS**. Supporting documents and printed literature that are part of the Bid may be in another language provided they are accompanied by an accurate translation of the relevant passages in the language **specified in the BDS**, in which case, for purposes of interpretation of the Bid, such translation shall govern.

### 11. Documents Comprising the Bid

- 11.1 The Bid shall comprise the following:
- (a) **Letter of Bid** prepared in accordance with ITB 12;
  - (b) **Bill of Quantities or Activity Schedules**: Bill of Quantities or Activity Schedules whichever is **specified in the BDS** completed in accordance with ITB 12 and ITB 14;
  - (c) **Bid Security or Bid-Securing Declaration**, in accordance with ITB 19.1;
  - (d) **Technical Bid-of Base Bid**;
  - (e) **Commercial Terms and Conditions**;
  - (f) **Alternative Technical Bid**, if permissible, in accordance with ITB 13;
  - (g) **Authorization**: written confirmation authorizing the signatory of the Bid to commit the Bidder, in accordance with ITB 20.3;
  - (h) **Bidder's Eligibility**: documentary evidence in accordance with ITB 17 establishing the Bidder's eligibility to Bid;
  - (i) **Eligibility of Goods and Related Services**: documentary evidence in accordance with ITB 16, establishing the eligibility of the Goods and Related Services to be supplied by the Bidder;

- (j) **Conformity:** documentary evidence in accordance with ITB 16 and ITB 31, and in support of above sub-paragraphs (d) and (e) of ITB 11.1 as necessary to establish that the Goods and Related Services, and Terms and Conditions of the Bid conform to requirements and provisions of the bidding document;
  - (k) **Manufacture's Authorization** in accordance with ITB 17.2 (a); and
  - (l) any other document required in the BDS.
- 11.2 In addition to the requirements under ITB 11.1, Bids submitted by a JV shall include a copy of the Joint Venture Agreement entered into by all members. Alternatively, a letter of intent to execute a Joint Venture Agreement in the event of a successful bid shall be signed by all members and submitted with the Bid, together with a copy of the proposed Agreement.
- 11.3 The Bidder shall furnish in the Letter of Bid information on commissions and gratuities, if any, paid or to be paid to agents or any other party relating to this Bid.

## 12. Letter of Bid and Prices Schedules

- 12.1 The Letter of Bid and Schedules shall be prepared using the relevant forms furnished in Section IV, Bidding Forms. The forms must be completed without any alterations to the text, and no substitutes shall be accepted except as provided under ITB 20.3. All blank spaces shall be filled in with the information requested.

## 13. Alternative Bids

- 13.1 Unless otherwise **specified in the BDS**, alternative Bids shall not be considered.

## 14. Bid Prices and Discounts

- 14.1 The prices and discounts quoted by the Bidder in the Letter of Bid and in the Activity Schedule or Bill of Quantities shall conform to the requirements specified below.
- 14.2 All lots (contracts) and items must be listed and priced separately in the Price Schedules.
- 14.3 The price to be quoted in the Letter of Bid, in accordance with ITB 12.1, shall be the total price of the Bid, excluding any discounts offered.
- 14.4 The Bidder shall quote any discounts and indicate the methodology for their application in the Letter of Bid in accordance with ITB 12.1, ITB 14.6 and ITB 14.7.

- 14.5 Prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to variation on any account, unless otherwise **specified in the BDS**. A Bid submitted with an adjustable price basis shall be treated as nonresponsive and shall be rejected, pursuant to ITB 30. However, if in accordance with **the BDS**, prices quoted by the Bidder shall be subject to adjustment during the performance of the Contract, a Bid submitted with a fixed price quotation shall not be rejected, but the price adjustment shall be treated as zero.
- 14.6 In accordance with ITB 1.1, Bids are being invited for individual items, individual lots (contracts) or for any combination of lots (packages) as specified in **BDS**. Unless otherwise **specified in the BDS**, prices quoted shall correspond to 100% of the quantity for each individual item (of bids invited for individual items), 100 % of the items specified for each lot and to 100% of the quantities specified for each item of a lot (of bids invited for individual lots and combination of lots). Bidders wishing to offer discounts for the award of more than one individual item (of bids invited for individual items), for award of more than one lot (of bids invited for individual lots or combination of lots) shall specify in their Bid the price reductions, as applicable, to each item, to each individual lot, and to the combination of lots (package), as applicable or alternatively, to individual Contracts within the package provided in all cases how discounts will be applied to individual items is made clear. Discounts shall be submitted in accordance with ITB 14.4 and 14.6 with due regards to consequences of unclear or ambiguous discounts as per ITB 14.7 provided the Bids for all lots (contracts) are opened at the same time.
- 14.7 Discounts offered shall be clear and without any vagueness or ambiguity as no clarification shall be requested or permitted on this account after Bid submission. The Purchaser's decision on discounts will be based on the contents of the Bid itself, without recourse to any extrinsic evidence. If in the Purchaser's opinion, which will be final, a discount offered in the bid: (i) is seriously unclear, ambiguous or vaguely presented to such extent that it cannot be either interpreted or applied with reasonable accuracy, the Bid shall be rejected; (ii) has a minor discrepancy or unclarity which could be interpreted reasonably, the Purchaser in this case may decide to apply the discount as it deems reasonable and appropriate resulting in the lowest evaluated cost to the Purchaser. If the Bidder does not accept the Purchaser's decision based on any of the above, the Bid shall be rejected.
- 14.8 The terms EXW, CIP, and other similar terms shall be governed by the rules prescribed in the current edition of Incoterms, published by the International Chamber of Commerce, as **specified in the BDS**.
- 14.9 Prices shall be quoted as specified in each Price Schedule included in Section IV, Bidding Forms as mentioned under (a), (b), (c) and (d) below. For a specific

item of Goods only one Price Schedule shall be used as per applicable classification of that item i.e. whether the item is manufactured and offered within the Purchaser's country or to be imported pursuant to the award of contract or previously imported. No changes in the offered Price Schedule or classification shall be permitted after bid opening. Failure to follow these instructions may result in rejection of bids. The disaggregation of price components is required solely for the purpose of facilitating the comparison of Bids by the Purchaser. This shall not in any way limit the Purchaser's right to contract on any of the terms offered e.g. instead of taking delivery at the final destination, the delivery may be taken at ex-works or at the destination. Similarly, if bids have been invited on CIP destination price in addition to other terms e.g. FOB or FCA, etc. then at the Purchaser's option, the award may be made on such other terms instead of CIP Price although comparison and evaluation of bids shall still be based on CIP final destination prices. In quoting prices, the Bidder shall be free to use transportation through carriers registered in any eligible country, in accordance with Bank's Procurement Framework and as listed in Section V, Eligible Countries. Similarly, the Bidder may obtain insurance services from any eligible country in accordance with Bank Procurement Framework and as listed in Section V, Eligible Countries. BDS indicates if the "Final Destination" (project site) is different from the "Destination" and their addresses. Prices shall be entered in Price Schedules accordingly and in the following manner:

- (a) For Goods manufactured in the Purchaser's Country:
  - (i) the price of the Goods quoted EXW (ex-works, ex-factory, ex warehouse, ex showroom, or off-the-shelf, as applicable), including all customs duties and sales and other taxes already paid or payable on the components and raw material used in the manufacture or assembly of the Goods;
  - (ii) any Purchaser's Country sales tax and other taxes which will be payable on the Goods if the Contract is awarded to the Bidder; and
  - (iii) the price for inland transportation, insurance, and other local services required to convey the Goods to their final destination (Project Site) **specified in the BDS.**
- (b) For Goods manufactured outside the Purchaser's Country, to be imported:
  - (i) the price of the Goods, quoted CIP named place of destination, in the Purchaser's Country, as **specified in the BDS.** If "final destination" is the same as "destination" then CIP price under columns 6 and 7 of the Price Schedule form applicable for Goods to be imported shall be quoted for named place of final destination;



- (ii) the price for inland transportation, insurance, and other local services required to convey the Goods from the named place of destination to their final destination (Project Site) **specified in the BDS**. If named place of "final destination" is the same as "destination" then cost under (b) (ii) shall not be indicated under column 8 of the Price Schedule form applicable for Goods to be imported and will state "Not Applicable". But instead, CIP final destination price quoted as per (b) (i) above shall include such costs;
- (c) For Goods manufactured outside the Purchaser's Country, already imported:
  - (i) the price of the Goods, including the original import value of the Goods; plus, any mark-up (or rebate); plus, any other related local cost, and custom duties and other import taxes already paid or to be paid on the Goods already imported;
  - (ii) the custom duties and other import taxes already paid (need to be supported with documentary evidence) or to be paid on the Goods already imported;
  - (iii) the price of the Goods, obtained as the difference between (i) and (ii) above;
  - (iv) any Purchaser's Country sales and other taxes which will be payable on the Goods if the Contract is awarded to the Bidder; and
  - (v) the price for inland transportation, insurance, and other local services required to convey the Goods to their final destination (Project Site) **specified in the BDS**.
- (d) For Related Services, other than inland transportation and other services required to convey the Goods to their final destination, whenever such Related Services are specified in the Schedule of Requirements, the price of each item comprising the Related Services (inclusive of any applicable taxes).

## 15. Currencies of Bid and Payment

- 15.1 The currency(ies) of the Bid and the currency(ies) of payments shall be the same. The Bidder shall quote in the currency of the Purchaser's Country the portion of the Bid price that corresponds to expenditures incurred in the currency of the Purchaser's Country, unless otherwise **specified in the BDS**.
- 15.2 The Bidder may express the Bid price in any currency. If the Bidder wishes to be paid in a combination of amounts in different currencies, it may quote its

price accordingly but shall use no more than three foreign currencies in addition to the currency of the Purchaser's Country.

## **16. Documents Establishing the Eligibility and Conformity of the Information System**

- 16.1 To establish the eligibility of the Information System in accordance with ITB 5, Bidders shall complete the country of origin declarations in the Price Schedule Forms, included in Section IV, Bidding Forms. The Bidder shall furnish, as part of its Bid, documents establishing the conformity to the bidding documents of the Information System that the Bidder proposes to design, supply, and install under the Contract.
- 16.2 The documentary evidence of conformity of the Information System to the bidding documents including.
- a) Preliminary Project Plan describing, among other things, the methods by which the Bidder will carry out its overall management and coordination responsibilities if awarded the Contract, and the human and other resources the Bidder proposes to use. The Preliminary Project Plan must also address any other topics specified in the BDS. In addition, the Preliminary Project Plan should state the Bidder's assessment of what it expects the Purchaser and any other party involved in the implementation of the Information System to provide during implementation and how the Bidder proposes to coordinate the activities of all involved parties.
  - b) written confirmation that the Bidder accepts responsibility for the successful integration and inter-operability of all components of the Information System as required by the bidding documents,
  - c) an item-by-item commentary on the Purchaser's Technical Requirements, demonstrating the substantial responsiveness of the Information System offered to those requirements. In demonstrating responsiveness, the Bidder should use the Technical Responsiveness Checklist (or Checklist Format) in the Sample Bidding Forms (Section IV). The commentary shall include explicit cross-references to the relevant pages in the supporting materials included in the bid. Whenever a discrepancy arises between the item-by-item commentary and any catalogs, technical specifications, or other preprinted materials submitted with the bid, the item-by-item commentary shall prevail,
  - d) support material (e.g., product literature, white papers, narrative descriptions of technologies and/or technical approaches), as required and appropriate; and

- e) any separate and enforceable contract(s) for Recurrent Cost items which the BDS ITB 17.2 requires Bidders to bid.

- 16.3 References to brand names or model numbers or national or proprietary standards designated by the Purchaser in the bidding documents are intended to be descriptive and not restrictive. Except as specified in the BDS for specific items or standards, the Bidder may substitute alternative brand/model names or standards in its bid, provided that it demonstrates to the Purchaser's satisfaction that the use of the substitute(s) will result in the Information System being able to perform substantially equivalent to or better than that specified in the Technical Requirements.
- 16.4 For major items of the Information System as listed by the Purchaser in Section III, Evaluation and Qualification Criteria, which the Bidder intends to purchase or subcontract, the Bidder shall give details of the name and nationality of the proposed subcontractors, including manufacturers, for each of those items. In addition, the Bidder shall include in its Bid information establishing compliance with the requirements specified by the Purchaser for these items. Quoted rates and prices will be deemed to apply to whichever subcontractor is appointed, and no adjustment of the rates and prices will be permitted.
- 16.5 The Bidder shall be responsible for ensuring that any subcontractor proposed complies with the requirements of ITB 4, and that any goods or services to be provided by the subcontractor comply with the requirements of ITB 5 and ITB 16.1.

## 17. Documents Establishing the Eligibility and Qualifications of the Bidder

- 17.1 To establish its eligibility and qualifications to perform the Contract in accordance with Section III, Evaluation and Qualification Criteria, the Bidder shall provide the information requested in the corresponding information sheets included in Section IV, Bidding Forms.
- 17.2 The documentary evidence of the Bidder's qualifications to perform the Contract if its Bid is accepted shall establish to the Purchaser's satisfaction:
  - (a) that, if required **in the BDS**, a Bidder that does not manufacture or produce the Information system it offers to supply shall submit the Manufacturer's Authorization using the form included in Section IV, Bidding Forms to demonstrate that it has been duly authorized by the manufacturer or

producer of the Information system to supply this Information system in the Purchaser's Country;

- (b) that, if required **in the BDS**, in case of a Bidder not doing business within the Purchaser's Country, the Bidder is or will be (if awarded the Contract) represented by an Agent in the country equipped and able to carry out the Supplier's maintenance, repair and spare parts-stocking obligations prescribed in the Conditions of Contract and/or Technical Specifications; and
- (c) that the Bidder meets each of the qualification criterion specified in Section III, Evaluation and Qualification Criteria.

## 18. Period of Validity of Bids

18.1. Bids shall remain valid for the Bid Validity period **specified in the BDS**. The Bid Validity period starts from the date fixed for the Bid submission deadline (as prescribed by the Purchaser in accordance with ITB 22.1). A Bid valid for a shorter period shall be rejected by the Purchaser as nonresponsive.

18.2. In exceptional circumstances, prior to the expiration of the Bid validity period, the Purchaser may request Bidders to extend the period of validity of their Bids. The request and the responses shall be made in writing. If a Bid Security is requested in accordance with ITB 19, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its Bid, except as provided in ITB 18.3.

- (a) If the award is delayed by a period exceeding fifty-six (56) days beyond the expiry of the initial Bid validity period, the Contract price will be adjusted as specified in the request for extension. Bid evaluation shall be based on the Bid price without taking into consideration the applicable correction from those indicated above.

## 19. Bid Security

19.1 The Bidder shall furnish as part of its Bid, either a Bid-Securing Declaration or a Bid Security amount as **specified in the BDS**, in original form and, in the case of a Bid Security amount, in the amount and currency **specified in the BDS**.

19.2 A Bid Securing Declaration shall use the form included in Section IV, Bidding Forms.

19.3 If a Bid Security amount is specified pursuant to ITB 19.1, the Bid Security shall be a demand guarantee in any of the following forms at the Bidder's option:

- (a) an unconditional guarantee issued by a bank or non-bank financial institution (such as an insurance, bonding or surety company);
- (b) an irrevocable letter of credit;
- (c) a cashier's or certified check; or
- (d) another security **specified in the BDS**,

from a reputable source from an eligible country. If an unconditional guarantee is issued by a non-bank financial institution located outside the Purchaser's Country, the issuing non-bank financial institution shall have a correspondent financial institution located in the Purchaser's Country to make it enforceable, unless the Purchaser has agreed in writing, prior to Bid submission, that a correspondent financial institution is not required. In the case of a bank guarantee, the Bid Security shall be submitted either using the Bid Security Form included in Section IV, Bidding Forms, or in another substantially similar format approved by the Purchaser prior to Bid submission. The Bid Security shall be valid for twenty-eight (28) days beyond the original validity period of the Bid, or beyond any period of extension if requested under ITB 18.2.

19.4 If a Bid Security amount or Bid Securing Declaration is specified pursuant to ITB 19.1, any Bid not accompanied by a substantially responsive Bid Security or Bid-Securing Declaration whichever is required shall be rejected by the Purchaser as non-responsive.

19.5 If a Bid Security is specified pursuant to ITB 19.1, the Bid Security of unsuccessful Bidders shall be returned as promptly as possible upon the successful Bidder's signing the Contract and furnishing the Performance Security and if required in the BDS, the Environmental and Social (ES) Performance Security pursuant to ITB 46.

19.6 The Bid Security of the successful Bidder shall be returned as promptly as possible once the successful Bidder has signed the Contract and furnished the required Performance Security.

19.7 The Bid Security amount may be forfeited:

- (a) if a Bidder withdraws its Bid during the period of Bid validity specified by the Bidder in the Letter of Bid, or any extension thereto provided by the Bidder; or

(b) if the successful Bidder fails to:

(i) sign the Contract in accordance with ITB 45; or

(ii) furnish a Performance Security in accordance with ITB 46.

19.8 The Bid Security amount or the Bid-Securing Declaration of a JV shall be in the name of the JV that submits the Bid. If the JV has not been constituted into a legally enforceable JV, at the time of Bidding, the Bid Security amount or the Bid-Securing Declaration shall be in the names of all future members as named in the letter of intent mentioned in ITB 4.1 and ITB 11.2.

19.9 If a Bid Securing Declaration is required in the BDS, pursuant to ITB 19.1, and

(a) if a Bidder withdraws its Bid during the period of Bid validity specified by the Bidder on the Letter of Bid or any extension thereto provided by the Bidder; or

(b) if the successful Bidder fails to: sign the Contract in accordance with ITB 45; or furnish a performance security in accordance with ITB 46;

the Borrower may execute the Bid-Securing Declaration, as provided for in **the BDS**, and declare the Bidder ineligible to be awarded a contract by the Purchaser for a period of time as stated in **the BDS**.

## 20. Format and Signing of Bid

20.1 The Bidder shall prepare one original of the documents comprising the Bid as described in ITB 11 and clearly mark it "ORIGINAL". Alternative Bids, if permitted in accordance with ITB 13, shall be clearly marked "ALTERNATIVE". In addition, the Bidder shall submit copies of the Bid in the number **specified in the BDS**, and clearly mark each of them "COPY." In the event of any discrepancy between the original and the copies, the original shall prevail.

20.2 Bidders shall mark as "CONFIDENTIAL" information in their Bids which is confidential to their business. This may include proprietary information, trade secrets, or commercial or financially sensitive information.

20.3 The original and all copies of the Bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder. This authorization shall consist of a written confirmation as **specified in the BDS** and shall be attached to the Bid. The name and position held by each person signing the authorization must be typed or printed below the signature. All pages of the Bid where entries or amendments have been made shall be signed or initialed by the person signing the Bid.

- 20.4 In case the Bidder is a JV, the Bid shall be signed by an authorized representative of the JV on behalf of the JV, and so as to be legally binding on all the members as evidenced by a power of attorney signed by their legally authorized representatives.
- 20.5 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Bid.

## Submission and Opening of Bids

### 21. Sealing and Marking of Bids

- 21.1. The Bidder shall deliver the Bid in a single, sealed envelope (one-envelope Bidding process). Within the single envelope the Bidder shall place the following separate, sealed envelopes:
- (a) in an envelope marked "ORIGINAL", all documents comprising the Bid, as described in ITB 11; and
  - (b) in an envelope marked "COPIES", all required copies of the Bid; and,
  - (c) if alternative Bids are permitted in accordance with ITB 13, and if relevant:
    - i. in an envelope marked "ORIGINAL -ALTERNATIVE", the alternative Bid; and
    - ii. in the envelope marked "COPIES – ALTERNATIVE BID" all required copies of the alternative Bid.
- 21.2. The inner and outer envelopes, shall:
- (a) bear the name and address of the Bidder;
  - (b) be addressed to the Purchaser in accordance with ITB 22.1;
  - (c) bear the specific identification of this Bidding process indicated in ITB 1.1; and
  - (d) bear a warning not to open before the time and date for Bid opening.
- 21.3 If all envelopes are not sealed and marked as required, the Purchaser will assume no responsibility for the misplacement or premature opening of the Bid.

### 22. Deadline for Submission of Bids

- 22.1. Bids must be received by the Purchaser at the address and no later than the date and time **specified in the BDS**. When so **specified in the BDS**, Bidders shall have the option of submitting their Bids electronically. Bidders submitting Bids

electronically shall follow the electronic Bid submission procedures **specified in the BDS**.

- 22.2. The Purchaser may, at its discretion, extend the deadline for the submission of Bids by amending the bidding document in accordance with ITB 8, in which case all rights and obligations of the Purchaser and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

### 23. Late Bids

- 23.1. The Purchaser shall not consider any Bid that arrives after the deadline for submission of Bids, in accordance with ITB 22. Any Bid received by the Purchaser after the deadline for submission of Bids shall be declared late, rejected, and returned unopened to the Bidder.

### 24. Withdrawal, Substitution, and Modification of Bids

- 24.1. A Bidder may withdraw, substitute, or modify its Bid after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization (the power of attorney) in accordance with ITB 20.3, (except that withdrawal notices do not require copies). The corresponding substitution or modification of the Bid must accompany the respective written notice. All notices must be:
- (a) prepared and submitted in accordance with ITB 20 and 21 (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked "WITHDRAWAL," "SUBSTITUTION," or "MODIFICATION;" and
  - (b) received by the Purchaser prior to the deadline prescribed for submission of Bids, in accordance with ITB 22.
- 24.2. Bids requested to be withdrawn in accordance with ITB 24.1 shall be returned unopened to the Bidders.
- 24.3. No Bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of Bids and the expiration of the period of Bid validity specified by the Bidder on the Letter of Bid or any extension thereof.

### 25. Bid Opening

- 25.1. Except as in the cases specified in ITB 23 and ITB 24.2, the Purchaser shall, at the Bid opening, publicly open and read out all Bids received by the deadline at the date, time and place **specified in the BDS** in the presence of Bidders' designated representatives and anyone who chooses to attend Any specific



electronic Bid opening procedures required if electronic bidding is permitted in accordance with ITB 22.1, shall be as **specified in the BDS**.

- 25.2. First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding Bid shall not be opened, but returned to the Bidder. If the withdrawal envelope does not contain a copy of the "power of attorney" confirming the signature as a person duly authorized to sign on behalf of the Bidder, the corresponding Bid will be opened. No Bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at Bid opening.
- 25.3. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at Bid opening.
- 25.4. Next, envelopes marked "MODIFICATION" shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Bid opening.
- 25.5. Next, all remaining envelopes shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the total Bid Prices, per item, and/or per lot (contract) as applicable, including any discounts and alternative Bids; the presence or absence of a Bid Security, if required; and any other details as the Purchaser may consider appropriate.
- 25.6. Only Bids, alternative Bids and discounts that are opened and read out at Bid opening shall be considered further in the evaluation. The Letter of Bid and the Price Schedules are to be initialed by representatives of the Purchaser attending Bid opening in the manner **specified in the BDS**.
- 25.7. The Purchaser shall neither discuss the merits of any Bid nor reject any Bid (except for late Bids, in accordance with ITB 23.1).
- 25.8. The Purchaser shall prepare a record of the Bid opening that shall include, as a minimum:
  - (a) the name of the Bidder and whether there is a withdrawal, substitution, or modification;
  - (b) the Bid Price, per item, and/or per lot (contract) as applicable, including any discounts;

- (c) any alternative Bids;
- (d) the presence or absence of a Bid Security or Bid-Securing Declaration, if one was required.

25.9. The Bidders' representatives who are present shall be requested to sign the record. The omission of a Bidder's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Bidders.

## Evaluation and Comparison of Bids

### 26. Confidentiality

- 26.1 Information relating to the evaluation of Bids and recommendation of contract award, shall not be disclosed to Bidders or any other persons not officially concerned with the Bidding process until the information on Intention to Award the Contract is transmitted to all Bidders in accordance with ITB 40.
- 26.2 Any effort by a Bidder to influence the Purchaser in the evaluation or contract award decisions may result in the rejection of its Bid.
- 26.3 Notwithstanding ITB 26.2, from the time of Bid opening to the time of Contract Award, if any Bidder wishes to contact the Purchaser on any matter related to the Bidding process, it should do so in writing.

### 27. Preliminary Examination of Bids

- 27.1 Prior to the detailed evaluation, pursuant to ITB 35, the Purchaser will conduct preliminary examination of all bids that have been received by the deadline for bid submission and opened at public bid opening as the first step towards determination of their substantial responsiveness to the bidding document. The Purchaser's determination of a bid's responsiveness is to be based on the contents of the bid itself, as defined in ITB 11 without recourse to extrinsic evidence.
- 27.2 The Purchaser will verify and examine bids to determine whether they are complete, properly signed to bind the bidder, meet eligibility requirements of bidders, information system and services, bidders have no conflict of interest and have provided required bid validity, bid security or bid securing declaration, as required and other essential documents to complete the evaluation, and whether the bids are generally in order. Subject to ITB 28, Bids

failing to meet the above requirements shall be rejected and not retained for further review.

## 28. Clarification of Bids

- 28.1 To assist in the examination, evaluation, comparison of the Bids, and qualification of the Bidders, the Purchaser may, at its discretion, ask any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by the Purchaser shall not be considered. The Purchaser's request for clarification and the response shall be in writing. No change, including any voluntary increase or decrease, in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the Purchaser in the Evaluation of the Bids, in accordance with ITB 32.
- 28.2 If a Bidder does not provide clarifications of its Bid by the date and time set in the Purchaser's request for clarification, its Bid may be rejected.

## 29. Deviations, Reservations, and Omissions

- 29.1 During the evaluation of Bids, the following definitions apply:
- (a) "Deviation" is a departure from the requirements specified in the bidding document;
  - (b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the bidding document; and
  - (c) "Omission" is the failure to submit part or all of the information or documentation required in the bidding document.

## 30. Determination of Responsiveness

- 30.1 Following rejection of Bids if any, pursuant to ITB 27 and ITB 28, as the next step, the remaining Bids will be further reviewed in detail to determine their substantial responsiveness. The Purchaser's determination of a Bid's responsiveness is to be based on the contents of the Bid itself, as defined in ITB 11.
- 30.2 A substantially responsive Bid is one that meets the requirements of the bidding document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that:
- (a) if accepted, would:

- (i) affect in any substantial way the scope, quality, or performance of the Information system and Related Services specified in the Contract; or
  - (ii) limit in any substantial way, inconsistent with the bidding document, the Purchaser's rights or the Bidder's obligations under the Contract; or
- (b) if rectified, would unfairly affect the competitive position of other Bidders presenting substantially responsive Bids.

30.3 The Purchaser shall examine the technical aspects of the Bid in accordance with ITB 16 and ITB 17, ITB 30, ITB 31, the BDS if applicable, and Section III Evaluation and Qualification Criteria in particular, to confirm that all requirements of Section VII, Schedule of Requirements and technical specifications have been met without any material deviation or reservation, or omission. To this end, in consideration of materiality of any deviations, reservations or omissions, Bids failing to meet the mandatory technical requirements or minimum pass-fail technical criteria or failing to substantially meet any other technical requirements of the bidding document will be rejected.

30.4 The Purchaser shall similarly examine the commercial aspects of the bids including any deviations, other than technical specifications, submitted in response to the provisions of the bidding document, to determine if they conform to the terms and conditions of the draft contract and other documents included in the bidding document without any material deviation, reservation or omission, and establishment of materiality in such aspects will similarly risk rejection of the Bids.

30.5 If a Bid is not substantially responsive to the requirements of the bidding document, it shall be rejected by the Purchaser and not subsequently be made responsive by correction of the material deviation, reservation, or omission. All other bids determined substantially responsive will be retained for further evaluation.

### 31. Nonconformities, Errors and Omissions

31.1 Provided that a Bid is substantially responsive, the Purchaser may waive any nonconformities in the Bid.

31.2 Provided that a Bid is substantially responsive, the Purchaser may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the Bid related to documentation requirements. Such omission

shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

- 31.3 Provided that a Bid is substantially responsive, the Purchaser shall rectify quantifiable nonmaterial nonconformities related to the Bid Price. To this effect, the Bid Price shall be adjusted, for comparison purposes only, to reflect the price of a missing or non-conforming item or component, and costs associated, if any, with non-material deviations, reservations and omissions to the requirements of the bidding documents in the manner **specified in the BDS**.

## 32. Correction of Arithmetical Errors

- 32.1 Provided that the Bid is substantially responsive, the Purchaser shall correct arithmetical errors on the following basis:

- (a) if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of the Purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected;
- (b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

- 32.2 Bidders shall be requested to accept correction of arithmetical errors. Failure to accept the correction in accordance with ITB 32.1, shall result in the rejection of the Bid.

## 33. Conversion to Single Currency

- 33.1 For evaluation and comparison purposes, the currency(ies) of the Bid shall be converted in a single currency as **specified in the BDS**.

## 34. Margin of Preference

- 34.1 Unless otherwise **specified in the BDS**, no margin of domestic or regional preference shall apply. If a margin of preference applies, the application methodology shall be as specified in Section III, Evaluation and Qualification

Criteria, and in accordance with the provisions stipulated in the Bank's Procurement Framework.

### 35. Evaluation of Bids

35.1 The Purchaser shall use the criteria and methodologies listed in this ITB and Section III, Evaluation and Qualification criteria. No other evaluation criteria or methodologies shall be permitted. By applying the criteria and methodologies, the Purchaser shall determine the successful Bid or Bids which has/have been determined to:

- (a) be substantially responsive to the bidding document;
- (b) offer the lowest evaluated total cost to the Purchaser for all items to be procured based on either a single Contract or all multiple Contracts combined, as the case may be, in accordance with the ITB 14.6 inviting bid prices and discounts, and provisions made in the Bidding Document for evaluation of bids and award of contract (s); and
- (c) be offered by Bidder or Bidders that substantially meet the qualification criteria applicable for Contract or Contracts for which they are selected.

35.2 To evaluate a Bid, the Purchaser shall consider the following factors with respect to the Base Bid and Alternative Bid (s) (if the latter is permitted in the BDS), in accordance with the criteria and methodology described in Section III—Evaluation and Qualification Criteria:

- (a) evaluation will be done for Items or Lots (contracts) or combination of Lots (Packages), as **specified in the BDS**; and the Bid Price as quoted in accordance with ITB 14;
- (b) price adjustment for correction of arithmetic errors in accordance with ITB 32.1;
- (c) price adjustment due to discounts offered in accordance with ITB 12.1, ITB 14.4, ITB 14.6 and ITB 14.7;
- (d) converting the amount resulting from applying (a) to (c) above, if relevant, to a single currency in accordance with ITB 33;
- (e) price adjustment due to quantifiable nonmaterial nonconformities in accordance with ITB 31.3;
- (f) the additional evaluation factors **specified in the BDS** if any, and Section III, Evaluation and Qualification Criteria; and

- (g) price adjustment due to application of Margin of Preference, if applicable, as per ITB 34, BDS and Section III, Evaluation and Qualification Criteria.
- 35.3 The estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the Contract, shall not be taken into account in Bid evaluation.
- 35.4 If this bidding document allows Bidders to quote separate prices for different lots (contracts), the methodology to determine the lowest evaluated cost of the lot (contract) combinations, including any discounts offered in the Letter of Bid, is specified in Section III, Evaluation and Qualification Criteria.
- 35.5 The Purchaser's evaluation of a Bid will exclude and not take into account:
- (a) in the case of Information system manufactured in the Purchaser's Country, sales and other similar taxes, which will be payable on the information system if a contract is awarded to the Bidder; and
  - (b) in the case of Information system manufactured outside the Purchaser's Country, already imported or to be imported, customs duties and other import taxes levied on the imported Good, sales and other similar taxes, which will be payable on the Information system if the contract is awarded to the Bidder.
- 35.6 The Purchaser's evaluation of a Bid may require the consideration of other factors, in addition to the Bid Price quoted in accordance with ITB 14. These factors may be related to the characteristics, performance, and terms and conditions of purchase of the Information system and Related Services. The effect of the factors selected, if any, shall be expressed in monetary terms to facilitate comparison of Bids, unless otherwise **specified in the BDS** from amongst those set out in Section III, Evaluation and Qualification Criteria. The criteria and methodologies to be used shall be as specified in ITB 35.2(f).

## 36. Comparison of Bids

- 36.1 The Purchaser shall compare the evaluated costs of all substantially responsive Bids established in accordance with ITB 35.2 to determine the Bid that has the lowest evaluated cost. The comparison shall be on the basis of CIP (place of final destination) prices for information system to be imported and prices for delivery to final destination for information system already imported less the custom duties and other import taxes already paid or to be paid on such information system (need to be supported with documentary evidence) and EXW prices, plus cost of inland transportation and insurance to place of final destination, for information system manufactured within the Borrower's country, together with prices for any required installation, training,

commissioning and other services as per price schedules included in Section IV. The evaluation of prices shall not take into account custom duties and other taxes levied on imported information system (to be imported or already imported) and sales and similar taxes levied in connection with the sale or delivery of information system.

### 37. Qualification of the Bidder

- 37.1 The Purchaser shall determine, to its satisfaction, whether the eligible Bidder or Bidders that is/are selected for Items, Lots, Packages and/or their combinations as having submitted the lowest evaluated cost and substantially responsive Bid (s) substantially meet the respective minimum qualifying criteria specified in Section III, Evaluation and Qualification Criteria. To this end, the Purchaser will determine for which Items, Lots and Packages, and their combinations, as the case may be, for which Bidder submitted bid, it substantially meets the respective minimum qualification criteria.
- 37.2 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB 17. The determination shall not take into consideration the qualifications of other firms such as the Bidder's subsidiaries, parent entities, affiliates, subcontractors (other than specialized subcontractors if permitted in the bidding document), or any other firm(s) different from the Bidder.
- 37.3 An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the Bid, in which event the Purchaser shall proceed to the Bidder or Bidders who offered the substantially responsive Bid (s) with the next lowest evaluated cost to make a similar determination of that Bidder's qualifications to perform satisfactorily.
- 37.4 The Purchaser reserves the right to waive minor deviations from the qualification criteria if they do not materially affect the technical capability and financial resources of the Bidder to perform the Contract or combination of Contracts.

### 38. Purchaser's Right to Accept Any Bid, and to Reject Any or All Bids

- 38.1 The Purchaser reserves the right to accept or reject any Bid, and to annul the Bidding process and reject all Bids at any time prior to Contract Award, without thereby incurring any liability to Bidders. In case of annulment, all Bids submitted and specifically, bid securities, shall be promptly returned to the Bidders.



### 39. Standstill Period

39.1 The Contract shall not be awarded earlier than the expiry of the Standstill Period. The Standstill Period shall be ten (10) Business Days unless extended in accordance with ITB 44. The Standstill Period starts the day after the date the Purchaser has transmitted to each Bidder the Notification of Intention to Award the Contract. Where only one Bid is submitted, or if this contract is in response to an emergency situation recognized by the Bank, the Standstill Period shall not apply.

### 40. Notification of Intention to Award

40.1 The Purchaser shall send to each Bidder the Notification of Intention to Award the Contract to the successful Bidder. The Notification of Intention to Award shall contain, at a minimum, the following information:

- (a) the name and address of the Bidder submitting the successful Bid;
- (b) the Contract price of the successful Bid;
- (c) the names of all Bidders who submitted Bids, and their Bid prices as readout, and as evaluated;
- (d) a statement of the reason(s) the Bid (of the unsuccessful Bidder to whom the notification is addressed) was unsuccessful, unless the price information in c) above already reveals the reason;
- (e) the expiry date of the Standstill Period;
- (f) instructions on how to request a debriefing and/or submit a complaint during the standstill period.

## Award of Contract

### 41. Award Criteria

41.1 Subject to ITB 38 and consistent with determination of successful Bid or Bids as per ITB 35, and unless otherwise **specified in the BDS**:

- i) For evaluation based on individual items as per ITB 1.1, 14.6 and 35.2
  - (a)

The Purchaser shall award the Contract or Contracts to the Selected Bidder or Bidders that have offered bids substantially responsive to the Bidding Document and have been determined successful for one or more items, evaluated bid prices of which shall result in the lowest evaluated cost to the Purchaser for all items combined provided further

that the selected Bidder or Bidders substantially meet the required qualifying criteria for item or items for which they are successful.

- ii) For evaluation based on Lots or Packages as per ITB 1.1, 14.6 and 35.2 (a)

Same as i) above except replace "item" or "items" wherever appearing with "Lot" and "Lots", or "Package" and "Packages" as the case may be.

## 42. Purchaser's Right to Vary Quantities at Time of Award

- 42.1 At the time the Contract is awarded, the Purchaser reserves the right to increase or decrease the quantity of Information system and Related Services originally specified in Section VII, Schedule of Requirements, provided this does not exceed the percentages **specified in the BDS**, and without any change in the unit prices or other terms and conditions of the Bid and the bidding document.

## 43. Notification of Award

- 43.1 Prior to the expiration of the Bid Validity Period and upon expiry of the Standstill Period, specified in ITB 39.1 or any extension thereof, and upon satisfactorily addressing any complaint that has been filed within the Standstill Period, the Purchaser shall notify the successful Bidder, in writing, that its Bid has been accepted. The notification of award (hereinafter and in the Contract Forms called the "Letter of Acceptance") shall specify the sum that the Purchaser will pay the Supplier in consideration of the execution of the Contract (hereinafter and in the Conditions of Contract and Contract Forms called "the Contract Price").
- 43.2 Within ten (10) Business Days after the date of transmission of the Letter of Acceptance, the Purchaser shall publish the Contract Award Notice which shall contain, at a minimum, the following information:
  - i. name and address of the Purchaser;
  - ii. name and reference number of the contract being awarded, and the selection method used;
  - iii. names of all Bidders that submitted Bids, and their Bid prices as read out at Bid opening, and as evaluated;
  - iv. names of all Bidders whose Bids were rejected either as nonresponsive or as not meeting qualification criteria, or were not evaluated, with the reasons therefor;
  - v. the name of the successful Bidder, the final total contract price, the contract duration and a summary of its scope; and

- vi. successful Bidder's Beneficial Ownership Disclosure Form, if specified in BDS ITB 45.1.
- 43.3 The Contract Award Notice shall be published on the Purchaser's website with free access if available, or in at least one newspaper of national circulation in the Purchaser's Country, or in the official gazette. The Purchaser shall also publish the contract award notice on the Bank's website and in UNDB online.
- 43.4 Until a formal Contract is prepared and executed, the Letter of Acceptance shall constitute a binding Contract.

#### 44. Debriefing by the Purchaser

- 44.1 On receipt of the Purchaser's Notification of Intention to Award referred to in ITB 40.1, an unsuccessful Bidder has three (3) Business Days to make a written request to the Purchaser for a debriefing. The Purchaser shall provide a debriefing to all unsuccessful Bidders whose request is received within this deadline.
- 44.2 Where a request for debriefing is received within the deadline, the Purchaser shall provide a debriefing within five (5) Business Days, unless the Purchaser decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the standstill period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the standstill period shall not end earlier than five (5) Business Days after the last debriefing takes place. The Purchaser shall promptly inform, by the quickest means available, all Bidders of the extended standstill period
- 44.3 Where a request for debriefing is received by the Purchaser later than the three (3)-Business Day deadline, the Purchaser should provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of Public Notice of Award of contract. Requests for debriefing received outside the three (3)-day deadline shall not lead to extension of the standstill period.
- 44.4 Debriefings of unsuccessful Bidders may be done in writing or verbally. The Bidders shall bear their own costs of attending such a debriefing meeting.

#### 45. Signing of Contract

- 45.1 The Purchaser shall send to the successful Bidder the Letter of Acceptance including the Contract Agreement, and, if **specified in the BDS**, a request to submit the Beneficial Ownership Disclosure Form providing additional information on its beneficial ownership. The Beneficial Ownership Disclosure

Form, if so requested, shall be submitted within eight (8) Business Days of receiving this request.

- 45.2 The successful Bidder shall sign, date and return to the Purchaser, the Contract Agreement within twenty-eight (28) days of its receipt.
- 45.3 Notwithstanding ITB 45.2 above, in case signing of the Contract Agreement is prevented by any export restrictions attributable to the Purchaser, to the country of the Purchaser, or to the use of the products/goods, systems or services to be supplied, where such export restrictions arise from trade regulations from a country supplying those products/goods, systems or services, the Bidder shall not be bound by its Bid, always provided however, that the Bidder can demonstrate to the satisfaction of the Purchaser and of the Bank that signing of the Contract Agreement has not been prevented by any lack of diligence on the part of the Bidder in completing any formalities, including applying for permits, authorizations and licenses necessary for the export of the products/goods, systems or services under the terms of the Contract.

#### 46. Performance Security

- 46.1 Within twenty-eight (28) days of the receipt of Letter of Acceptance from the Purchaser, the successful Bidder, if required, shall furnish the Performance Security in accordance with the GCC 18, using for that purpose the Performance Security Form included in Section X, Contract Forms, or another Form acceptable to the Purchaser. If the Performance Security furnished by the successful Bidder is in the form of a bond, it shall be issued by a bonding or insurance company that has been determined by the successful Bidder to be acceptable to the Purchaser. A foreign institution providing a bond shall have a correspondent financial institution located in the Purchaser's Country, unless the Purchaser has agreed in writing that a correspondent financial institution is not required.
- 46.2 Failure of the successful Bidder to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security. In that event the Purchaser may award the Contract to the Bidder or Bidders offering the next Lowest Evaluated Cost to the Purchaser as per the bid Evaluation and award criteria.

#### 47. Procurement Related Complaint

- 47.1 The procedures for making a Procurement-related Complaint are as specified in the BDS.

## Section II - Bid Data Sheet (BDS)

The following specific data for the Information Systems to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

ITB Reference	A. General
ITB 1.1	<p>The Purchaser is: <b>East African Community (EAC)</b></p> <p>Description of the system for which bids are invited- information System: <b>Supply, Delivery, Installation, Commissioning and Maintenance of an Automated Transfer System (ATS+) with Integrated Instant Funds Transfer and Central Securities Depository (CSD)</b></p> <p>Title of IFB is: <b>EAC/PSSIP/ICB/2022/04</b></p>
ITB 2.1	<p>The Borrower is: <b>East African Community (EAC)</b></p> <p>The Specific Bank financing institution is: <b>African Development Fund (ADF)</b></p> <p><b>The name of the Project is: EAC Payment and Settlement Systems Integration Project; (EAC-PSSIP South Sudan)</b></p>
ITB 4.1 (a)	i) The firms in a Joint Venture, Consortium or Association (JV) <b>shall be jointly and severally liable.</b>
ITB 4.1 (c)	Maximum number of members in the Joint Venture, Consortium or Association (JV) shall be: <b>3</b>
ITB 4.1 (d)	Minimum share of a member of Joint Venture, Consortium or Association (JV) in the contract shall not be less than 30 % percent of the total value of the contract.
ITB 4.5	A list of debarred firms and individuals is available on the Bank's external website: <a href="https://www.afdb.org/en/projects-operations/debarment-and-sanctions-procedures">https://www.afdb.org/en/projects-operations/debarment-and-sanctions-procedures</a>
<b>B. Contents of Bidding Document</b>	

ITB 7.1	<p>For <b><u>Clarification of Bid purposes</u></b> only, the Purchaser's address is:</p> <p>Contact Person: <b><i>Project Manager, EAC-PSSIP</i></b></p> <p>Address:  <b><i>The East African Community,  EAC Close.  Off Afrika Mashariki Rd,  P. O. Box 1096,  Arusha, Tanzania</i></b></p> <p>Tel <b><i>(+255272162100)</i></b>  Email: <a href="mailto:pssip-procurement@eachq.org">pssip-procurement@eachq.org</a>  copy to <a href="mailto:panjimbi@eachq.org">panjimbi@eachq.org</a></p> <p>Requests for clarification should be received by the Purchaser no later than: <b><i>14 days before the deadline for bid submission</i></b></p>
ITB 7.1	Requests for clarification should be received by the Purchaser no later than: 14 days to the deadline for submission of bids.
<b>C. Preparation of Bids</b>	
ITB 10.1	The language of the Bid is: English
ITB 11.1 (h)  (k)	<p>The Bidder must provide the following Documentary Evidence to establish the conformity of the Technical Proposal with the Bidding Document:</p> <ul style="list-style-type: none"> <li>• Data sheets of products proposed,</li> <li>• Original equipment manufacturer (OEM) authorization and others including;</li> </ul> <p>Documentary evidence that the Bidder is legally incorporated in a territory of an eligible source country, including:</p> <ol style="list-style-type: none"> <li>1. A copy of the Memorandum and Articles of Association or its equivalent. A separate list of Directors/Partners/Proprietors should be attached.</li> <li>2. A copy of the Certificate of Incorporation or its equivalent</li> <li>3. Any other document establishing a Legal Status of the Bidder</li> <li>4. Partnership agreement (if any)</li> </ol>
ITB 13.1	Alternative Bids <b>shall not</b> be considered.
ITB 13.2	Alternative times for completion <b>shall not</b> be permitted.
ITB 13.3	Technical Alternative as per ITB 13.3 <b>shall not</b> be permitted.

ITB 13.4	Alternative technical solutions <b>shall not</b> be permitted.
ITB 14.5	The prices quoted by the Bidder <b>shall be FIXED</b> and <b>not</b> subject to adjustment during the performance of the Contract.
ITB 14.9 (b)(i)	Place of destination: Carriage and insurance paid (CIP <sup>1</sup> ).
ITB 14.9	Final Destination (Project Site): Bank of South Sudan Head Office, Juba
ITB 15.1	The Bidder is required to quote in USD\$ United States Dollars
ITB 16.2 (c)	<p>In addition to the topics described in ITB Clause 16.2 (a), the Preliminary Project Plan must address the following topics:</p> <ol style="list-style-type: none"> <li><b>1. Project organization and management plan (covering both the Supplier's team and expectations of the Purchaser's involvement);</b></li> <li><b>2. The proposed project team;</b></li> <li><b>3. Phases of the project execution showing sequencing, activities and deliverables for each solution;</b></li> <li><b>4. Task, time and resource schedules showing the estimated duration, sequence, resource allocation and interrelationship of all key activities and resources needed to complete the Contract, and including a project plan in Gantt chart format;</b></li> <li><b>5. Requirements analysis, design, development, delivery and installation plan;</b></li> <li><b>6. Training plan;</b></li> <li><b>7. Documentation plan;</b></li> <li><b>8. Change management plan;</b></li> <li><b>9. Installation and acceptance testing plan;</b></li> <li><b>10. Warranty and post-warranty service plan</b></li> </ol>
ITB 18.1	The Bid validity period shall be 120 days.
ITB 19.1	A Bid Security Amount of <b>20 000 USD</b> or its equivalent in convertible currency acceptable to the Purchaser <b>Shall</b> be required. The bid security irrevocably and unconditionally shall be issued by a reputable bank or financial institution.
ITB 20.1	In addition to the original of the Bid, the number of copies is: <b>four (4) copies</b> and electronic copy in word format in case of discrepancies between the electronic copy and the printed version, the printed original submission prevails

<sup>1</sup> CIP (place of destination) for all goods manufactured abroad, including those previously imported, and EXW (Ex works, Ex-factory, or Off-the-shelf) plus cost of inland transportation and insurance to the place of destination for goods manufactured or assembled in the country of the Borrower.

ITB 20.3	The written confirmation of authorization to sign on behalf of the Bidder shall consist of power of Attorney
<b>D. Submission and Opening of Bids</b>	
ITB 22.1	<p>For <u>Bid submission purposes</u> only, the Purchaser's address is:</p> <p><b>Date</b> 20<sup>th</sup> March 2023  <b>Time:</b> 10:00 HRS CAT</p> <p>Venue: <i>Participants will attend physically and virtually via video conferencing or any other online forum</i></p> <p>Contact Person: <i>Project Manager NPS-BoSS</i></p> <p>Bank of South Sudan  <i>Plot No. 1, Block D6, Juba Market,  PO Box. 136, Juba  South Sudan</i>  Tel (+211924838020)  Email: <a href="mailto:boss-procurement@eachq.org">boss-procurement@eachq.org</a></p>
ITB 25.1	<p>The Bid opening shall take place at:</p> <p>Bank of South Sudan  <i>Plot No. 1, Block D6, Juba Market,  PO Box. 136, Juba  South Sudan</i></p> <p><b>Date:</b> 20<sup>th</sup> March 2023  <b>Time:</b> 10.30 HRS CAT</p> <p>The opening shall announce the names of the bidders, Significant information such as quoted prices, signing of the bid submission form and presence of copies of Power of Attorney.</p>
<b>E. Evaluation and Comparison of Bids</b>	
ITB 32.1	<p>The currency that shall be used for Bid evaluation and comparison purposes to convert at the selling exchange rate all Bid prices expressed in various currencies into a single currency is: USD\$ United States Dollars</p> <p><b>The source of exchange rate shall be:</b> African Development Bank</p>



	<p>The <b>date of the exchange rate</b> is: At the date of the Deadline for the Submission of the proposal.</p>															
ITB 33.1	<p>The <b>single currency for the conversion of all prices expressed in various currencies into a single one</b> is: USD\$ United States Dollars</p> <p>The <b>official source of the selling (exchange) rate</b> is: African Development Bank</p>															
ITB 35.1	<p>The Purchaser’s evaluation of responsive Bids will take into account technical factors, in addition to cost factors as specified in Section III, Bid Evaluation and Qualification Criteria.</p>															
ITB 35.2 (f)	<p>Other Criteria: These are detailed in the evaluation criteria in Section III, Evaluation and Qualification Criteria.</p>															
ITB 35.6	<p>The Purchaser’s evaluation of responsive Bids <b><i>will take</i></b> into account technical factors, in addition to cost factors as specified in Section III, Bid Evaluation and Qualification Criteria for the following three (3) categories.</p> <table><tr><th>No.</th><th>Category</th><th>Weight</th></tr><tr><td>I</td><td>Quality of overall solution and context</td><td>60%</td></tr><tr><td>II</td><td>Functional and technical solution specifications</td><td>25%</td></tr><tr><td>III</td><td>Quality of post implementation Services</td><td>15%</td></tr><tr><td colspan="2">Total</td><td>100%</td></tr></table> <p>Mandatory technical items listed in Paragraph 4 of the “Technical Requirement” will be excluded from the technical scoring. Bids which do not satisfy all Mandatory requirements will be excluded from further consideration. Technical scoring will apply to desirable features and sub-features as listed in the tables for each category below.</p> <p>Each sub-feature will be given a score between 0 and 4 as follows:</p> <ul style="list-style-type: none"><li>• 0 for the sub-feature being absent;</li><li>• 1 for the sub-feature being present but showing deficiencies;</li><li>• 2 for meeting the requirements;</li><li>• 3 for exceeding the requirements;</li></ul>	No.	Category	Weight	I	Quality of overall solution and context	60%	II	Functional and technical solution specifications	25%	III	Quality of post implementation Services	15%	Total		100%
No.	Category	Weight														
I	Quality of overall solution and context	60%														
II	Functional and technical solution specifications	25%														
III	Quality of post implementation Services	15%														
Total		100%														

- 4 for significantly exceeding the requirements.

As described for each Category below, the Category technical score will be calculated by combining the sub-feature scores as weighted sum. The three categories of technical scores will be combined based on the weights for each Category in the table above.

**Category I: Quality of overall solution – 60%**

Feature	Sub-feature	Weight
a. Technical proposal	1. Proposed solution and functional overview 2. Approach and methodology 3. Project organization and management plan 4. Testing 5. Risk management 6. Proposed architecture and bills of quantities  <b>Maximum technical score for 6 sub-features each at 4: 24</b>	30%
b. Functional and Technical specifications.	1. Mandatory requirements met as detailed in the tables of required features 2. Commentaries on functional and technical specifications  <b>Maximum technical score for 2 sub-features each at 4: 8</b>	70%

**Category II: Quality of Implementation Process – 25%**

Feature	Sub-feature	Weight
a. Qualifications and experience of Bidder's	1. Qualifications and experience of Bidder's proposed project team: Key staff are defined as Project Manager and technical staff	20%

	proposed project team	<b>Maximum technical score for 1 sub-features: 4</b>	
	b. Comprehensiveness and quality of the project management and project plan	<ol style="list-style-type: none"> <li>1. The project management methodology is sound and in accordance with internationally accepted practice;</li> <li>2. The project plan is comprehensive clearly specifying all the project steps right from requirements gathering to operational acceptance;</li> <li>3. The proposed project schedule is realistic but not longer than 8 months;</li> <li>4. Level of effort and resources allocated to each work activity is appropriate and time available for client review/signoff is feasible;</li> <li>5. Major milestones and dependencies on client and other stakeholders are identified and clearly specified;</li> <li>6. The project risks identified are comprehensive and the risk management plan is robust.</li> </ol> <b>Maximum technical score for 6 sub-features each at 4: 24</b>	40%
	c. Provision of business-level consulting. The plans proposed for this will be evaluated for comprehensiveness and effectiveness.	<ol style="list-style-type: none"> <li>1. Provision of comprehensive business, technical and operational documentation;</li> <li>2. Provision of information security standards in line with international best practice;</li> <li>3. Advice on issue management and resolution;</li> <li>4. Business continuity management</li> <li>5. Recommendations on organization changes required at BOSS;</li> </ol> <b>Maximum technical score for 5 sub-features each at 4: 20</b>	20%

	<table><tr><td>d. Training knowledge transfer and documentation</td><td>1. Training plan in terms of content, duration and frequency fully meets the needs of the various stakeholders;  <b>Maximum technical score for sub-feature: 4</b></td><td>20%</td></tr></table>	d. Training knowledge transfer and documentation	1. Training plan in terms of content, duration and frequency fully meets the needs of the various stakeholders;  <b>Maximum technical score for sub-feature: 4</b>	20%							
d. Training knowledge transfer and documentation	1. Training plan in terms of content, duration and frequency fully meets the needs of the various stakeholders;  <b>Maximum technical score for sub-feature: 4</b>	20%									
<b>Category III: Quality of post implementation Services and Support – 15%</b>											
<table><tr><th>Feature</th><th>Sub-feature</th><th>Weight</th></tr><tr><td>a. Support arrangement and provision of an SLA</td><td>1. At least 3 years of providing support for the solution proposed in the Bid  <b>Maximum technical score for sub-feature combined: 4</b></td><td>70%</td></tr><tr><td>b. Vendor support availability</td><td>1. Technical vendor support is provided by qualified personnel, with availability of required spare parts.  <b>Maximum technical score for sub-features combined: 4</b></td><td>30%</td></tr></table>			Feature	Sub-feature	Weight	a. Support arrangement and provision of an SLA	1. At least 3 years of providing support for the solution proposed in the Bid  <b>Maximum technical score for sub-feature combined: 4</b>	70%	b. Vendor support availability	1. Technical vendor support is provided by qualified personnel, with availability of required spare parts.  <b>Maximum technical score for sub-features combined: 4</b>	30%
Feature	Sub-feature	Weight									
a. Support arrangement and provision of an SLA	1. At least 3 years of providing support for the solution proposed in the Bid  <b>Maximum technical score for sub-feature combined: 4</b>	70%									
b. Vendor support availability	1. Technical vendor support is provided by qualified personnel, with availability of required spare parts.  <b>Maximum technical score for sub-features combined: 4</b>	30%									
<p>The Technical Response of bidder should include, but not limited to, following:</p> <ol style="list-style-type: none"><li>Proposer’s demonstrated understanding of the South Sudan context, in particular national economic development prospects, BOSS’s strategic direction and the national payments system development program.</li><li>Functionality – match to BOSS’s requirements:<ul style="list-style-type: none"><li><i>RTGS component</i></li><li><i>Liquidity management</i></li><li><i>ACH component</i></li><li><i>IFT component</i></li><li><i>Cheque automation/truncation</i></li><li><i>Integration of components</i></li><li><i>CSD</i></li><li><i>Overall usability</i></li></ul></li></ol>											

	<p>3. Technical quality of solution:</p> <ul style="list-style-type: none"> <li>• <i>Integration of components</i></li> <li>• <i>Linkages to other systems</i></li> <li>• <i>Integration with GOSS systems</i></li> <li>• <i>Adaptability to future requirements</i></li> <li>• <i>Integration with BOSS's IT environment</i></li> <li>• <i>Ability to support future requirements</i></li> </ul> <p>4. Services and support:</p> <ul style="list-style-type: none"> <li>• <i>Approach and methodology</i></li> <li>• <i>Project plan</i></li> <li>• <i>Implementation time-frame</i></li> <li>• <i>Provision of business-level consulting</i></li> <li>• <i>Experience of key staff</i></li> <li>• <i>Track record in similar implementations</i></li> <li>• <i>Support arrangements</i></li> <li>• CV of Proposed Key Personnel</li> <li>• Activity-wise Resource Deployment Plan including <ul style="list-style-type: none"> <li>○ Project team structure and size</li> <li>○ Roles and responsibility of project team members Escalation Matrix</li> <li>○ Mechanism adopted for performing efforts estimation and how does it bridge the gap between estimated effort and actual effort spent</li> <li>○ Resource Deployment Plan fully mapped with Project</li> <li>○ Work Plan</li> <li>○ Undertaking on Resource Deployment</li> </ul> </li> </ul>
<b>F. Award of Contract</b>	
<b>ITB 45.1</b>	The successful Bidder <b>Shall</b> submit the Beneficial Ownership Disclosure Form.

**ITB 47.1**

The procedures for making a Procurement-related Complaint are detailed in the [Part B](#) of the Operations Procurement Manual under the Procurement Framework of the African Development Bank. If a Bidder wishes to make a Procurement-related Complaint, the Bidder shall submit its complaint following these procedures to the purchaser, in writing (by the quickest means available, such as by email in accordance with the following:

**For the attention:** *Hon. Dr. Peter Mutuku Mathuki*

**Title/position:** *Secretary General*

**Purchaser:** *East African Community (EAC)*

**Email address:** [sgoffice@eachq.org](mailto:sgoffice@eachq.org)

**Mobile:** +255(0)272162100

In summary, a Procurement-related Complaint may challenge any of the following:

1. the terms of the Bidding Documents;
2. the Purchaser's decision to exclude a bidder from the procurement process prior to the award of contract; and
3. the Purchaser's decision to award the contract.

The Bank's Procurement Framework stipulates that bidders may send copies of their communications with the Borrowers to the Bank or write to the Bank directly when, Borrowers do not respond promptly, any questions on any issues regarding the implementation of Bank funded projects, or when the communication is a complaint against the Borrower. In this regard, if a bidder wishes to protest against a decision made by a Borrower or the Bank with regards to the procurement process or wishes to inform the Bank that the Bank's procurement rules and/or provisions of the bidding documents have not been complied with, an email can be sent to the following address:

**Email:** [procurementcomplaints@afdb.org](mailto:procurementcomplaints@afdb.org)

## Section III - Evaluation and Qualification Criteria

This Section contains the criteria that the Purchaser shall use to evaluate a Bid and qualify the Bidders. No other factors, methods or criteria shall be used other than specified in this bidding document. Wherever a Bidder is required to state a monetary amount, Bidders should indicate the USD equivalent using the rate of exchange determined as follows:

- For annual turnover or financial data required for each year - Exchange rate prevailing on the last day of the respective calendar year (in which the amounts for that year is to be converted) was originally established.
- Value of single contract - Exchange rate prevailing on the date of the contract.

Exchange rates shall be taken from the publicly available source identified in the ITB 33.1. Any error in determining the exchange rates in the Bid may be corrected by the Purchaser.

# 1. Evaluation

The Purchaser will evaluate and compare the Bids that have been determined to be substantially responsive, pursuant to ITB 29.

If indicated by the BDS, the Purchaser's evaluation of responsive Bids will take into account technical factors, in addition to cost factors.

In such a case, an Evaluated Bid Score (B) will be calculated for each responsive Bid using the following formula, which permits a comprehensive assessment of the Bid price and the technical merits of each Bid:

$$B \equiv \frac{C_{low}}{C} X + \frac{T}{T_{high}} (1 - X)$$

where

$C$  = Evaluated Bid Price

$C_{low}$  = the lowest of all Evaluated Bid Prices among responsive Bids

$T$  = the total Technical Score awarded to the Bid

$T_{high}$  = the Technical Score achieved by the Bid that was scored best among all responsive Bids

$X$  = weight for the Price as specified in the BDS

The Bid with the best evaluated Bid Score (B) among responsive Bids shall be the Most Advantageous Bid provided the Bidder was prequalified and/or it was found to be qualified to perform the Contract in accordance with ITB 39.

If, in addition to the cost factors, the Purchaser has chosen to give weight to important technical factors (i.e., the price weight,  $X$ , is less than 1 in the evaluation), that cannot be reduced to life-cycle costs or pass/fail criteria, the Total Technical Points assigned to each Bid in the Evaluated Bid Formula will be determined by adding and weighting the scores assigned by an evaluation committee to technical features of the Bid in accordance with the criteria set forth below.

- (a) The technical features to be evaluated are generally defined below and specifically identified **in the BDS**:
  - (i) Performance, capacity, or functionality features that either exceed levels specified as mandatory in the Technical Requirements; and/or influence the life-cycle cost and effectiveness of the Information System.



- (ii) Usability features, such as ease of use, ease of administration, or ease of expansion, which influence the life-cycle cost and effectiveness of the Information System.
  - (i) The quality of the Bidder's Preliminary Project Plan as evidenced by the thoroughness, reasonableness, and responsiveness of: (a) the task and resource schedules, both general and specific, and (b) the proposed arrangements for management and coordination, training, quality assurance, technical support, logistics, problem resolution, and transfer of knowledge, and other such activities as specified by the Purchaser in Section VII, Technical Requirements or proposed by the Bidder based on the Bidder's experience.
  - (ii) Any sustainable procurement requirement if specified in Section VII- Requirements of the Information System.
- (b) Feature scores will be grouped into a small number of evaluation categories, generally defined below and specifically identified in the BDS, namely:
  - (i) The technical features that reflect how well the Information System meets the Purchaser's Business Requirements (including quality assurance and risk-containment measures associated with the implementation of the Information System).
  - (ii) The technical features that reflect how well the Information System meets the System's Functional Performance Standards.
  - (iii) The technical features that reflect how well the Information System meets the General Technical Requirements for hardware, network and communications, Software, and Services.
- (c) As specified in the **BDS**, each category will be given a weight and within each category each feature may also be given a weight.
- (d) During the evaluation process, the evaluation committee will assign each desirable/preferred feature a whole number score from 0 to 4, where 0 means that the feature is absent, and 1 to 4 either represent predefined values for desirable features amenable to an objective way of rating (as is the case for, e.g., extra memory, or extra mass storage capacity, etc., if these extras would be conducive for the utility of the system), or if the feature represents a desirable functionality (e.g., of a software package) or a quality improving the prospects for a successful implementation (such as the strengths of the proposed project staff, the methodology, the elaboration of the

project plan, etc., in the bid), the scoring will be 1 for the feature being present but showing deficiencies; 2 for meeting the requirements; 3 for marginally exceeding the requirements; and 4 for significantly exceeding the requirements.

- (e) The score for each feature (i) within a category (j) will be combined with the scores of features in the same category as a weighted sum to form the Category Technical Score using the following formula:

$$S_j \equiv \sum_{i=1}^k t_{ji} * w_{ji}$$

where:

$t_{ji}$  = the technical score for feature "i" in category "j"

$w_{ji}$  = the weight of feature "i" in category "j"

$k$  = the number of scored features in category "j"

and  $\sum_{i=1}^k w_{ji} = 1$

- (f) The Category Technical Scores will be combined in a weighted sum to form the total Technical Bid Score using the following formula:

$$T \equiv \sum_{j=1}^n S_j * W_j$$

where:

$S_j$  = the Category Technical Score of category "j"

$W_j$  = the weight of category "j" as specified in the BDS

$n$  = the number of categories

and  $\sum_{j=1}^n W_j = 1$

## 2. Qualification

Eligibility and Qualification Criteria				Compliance Requirements			Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All members Combined	Each Member	At least one Member	
1. Eligibility							
1.3	Bank Eligibility	Not having been declared ineligible by the Bank, as described in ITB 4.5.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Letter of Bid
2. Historical Contract Non-Performance							
2.1	History of Non-Performing Contracts	Non-performance of a contract <sup>2</sup> did not occur as a result of Supplier default since 1 <sup>st</sup> January 2016	Must meet requirement <sup>1</sup> & <sup>2</sup>	Must meet requirements	Must meet requirement <sup>3</sup>	N/A	Form CON-2
2.3	Pending Litigation	Bidder's financial position and prospective long-term profitability sound according to criteria established in 3.1 below and assuming that all pending	Must meet requirement	N/A	Must meet requirement	N/A	Form CON – 2

<sup>2</sup> Nonperformance, as decided by the Employer, shall include all contracts where (a) nonperformance was not challenged by the contractor, including through referral to the dispute resolution mechanism under the respective contract, and (b) contracts that were so challenged but fully settled against the contractor. Nonperformance shall not include contracts where Employers decision was overruled by the dispute resolution mechanism. Nonperformance must be based on all information on fully settled disputes or litigation, i.e. dispute or litigation that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the Bidder have been exhausted.

<sup>3</sup> This requirement also applies to contracts executed by the Bidder as JV member.

Eligibility and Qualification Criteria				Compliance Requirements			Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All members Combined	Each Member	At least one Member	
		litigation will be resolved against the Bidder					
2.4	<b>Litigation History</b>	No consistent history of court/arbitral award decisions against the Bidder <sup>4</sup> since 1 <sup>st</sup> January 2016	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Form CON – 2
<b>3. Financial Situation and Performance</b>							
3.1	<b>Financial Capabilities</b>	(i) The Bidder must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet cash flow.	Must meet requirement	Must meet Requirement	N/A	N/A	Form FIN – 3.1, 3.3 and 3.4 with attachments

<sup>4</sup> The Bidder shall provide accurate information on the Letter of Bid about any litigation or arbitration resulting from contracts completed or ongoing under its execution over the last five years. A consistent history of court/arbitral awards against the Bidder or any member of a joint venture may result in disqualifying the Bidder.

Eligibility and Qualification Criteria				Compliance Requirements			Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All members Combined	Each Member	At least one Member	
		(ii) The Bidders shall also demonstrate, to the satisfaction of the Purchaser, that it has adequate sources of finance to meet the cash flow requirements on information systems currently in progress and for future contract commitments.	Must meet requirement	Must meet requirement	N/A	N/A	
		(iii) The audited balance sheets or, if not required by the laws of the Bidder's country, other financial statements acceptable to the Purchaser, for the last 3 years shall be submitted and must demonstrate the current soundness of the Bidder's financial position and indicate its prospective long-term profitability.	Must meet requirement	N/A	Must meet requirement	N/A	

Eligibility and Qualification Criteria				Compliance Requirements			Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All members Combined	Each Member	At least one Member	
3.2	<b>Average Annual Turnover</b>	Minimum average annual turnover of US\$ 500 000 calculated as total certified payments received for contracts in progress and/or completed within the last 3 years, divided by years	Must meet requirement	Must meet requirement	N/A	N/A	Form FIN – 3.2
<b>4. Experience</b>							
4.1 (a)	<b>General Experience</b>	Experience under Information System contracts in the role of prime supplier, management Supplier, JV member, or subcontractor for at least the last 10 years prior to the applications submission deadline.	Must meet requirement	Must meet requirement	N/A	N/A	Form EXP – 4.1
4.2 (a)	<b>Specific Experience</b>	Participation as a prime supplier, management Supplier, JV member, sub-Supplier, in at least 1 contract within the last	Must meet requirement	Must meet requirements for all characteristics	N/A	N/A	Form EXP 4.2(a)

Eligibility and Qualification Criteria				Compliance Requirements			Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All members Combined	Each Member	At least one Member	
		10 years, that have been successfully and substantially completed and that are similar to the proposed Information System.					

### 3. Key Personnel

The Bidder must demonstrate that it will have suitably qualified (and adequate numbers) Key Personnel, as described in the Specifications.

The Bidder must demonstrate that it will have the personnel for the key positions that meet the following requirements:

No.	Position	Information System Experience [Specify specific experience requirement for the key positions]
1	Project Manager (Team Leader)	<ul style="list-style-type: none"> <li>• Must have at least Master in Computer Science and engineering/with sufficient skills &amp; training in accounting, finance, and business-related field or a professionally qualified accountant with valid membership of a professional accounting body</li> <li>• A professional qualification in an industry recognized project management methodology and practice such as PRINCE2 or PMP is required with experience in software Project</li> <li>• Software project management documentation experience required.</li> <li>• Experience in managing large and complex ERP implementation projects.</li> <li>• A good knowledge of Enterprise Resource Planning (ERP) is required</li> <li>• Must possess at 10 or more years of experience in managing large and complex IT systems implementation projects.</li> <li>• At least one successful ATS implementation for national/sub-national level as project manager.</li> <li>• Preference will be given in experience in Government or semi government organization software project development and delivery</li> <li>• Having good communication skill and draft report abilities; and Have very good command in English</li> </ul>
2	PFM Expert	<ul style="list-style-type: none"> <li>• Must have at least Master or MBA in Finance/Economics from any recognized university.</li> <li>• Should have at least 10 years' experience in Public Sector cash and treasury reforms, Public Sector budgeting reforms and process improvements, Public Sector accounting and reporting reforms.</li> </ul>



No.	Position	Information System Experience [Specify specific experience requirement for the key positions]
		<ul style="list-style-type: none"> <li>• Demonstrated experience in Public Sector budgeting or Public Sector cash, treasury and accounting reforms in 3 or more projects.</li> <li>• Having advanced professional international certification/accreditation (CPA, ACCA), will be plus.</li> <li>• Have extensive experience in managing large project and in using practical techniques for change management in developing countries.</li> <li>• Have extensive experiences in developing and managing change management strategies for government or large organizations.</li> <li>• Having good communication skill, very good command in English</li> </ul>
3	Solution Architect	<ul style="list-style-type: none"> <li>• Must have at least Master in Computer Science and engineering with any other related IT field &amp; relevant certifications.</li> <li>• Should have at least 10 years' experience in IT systems implementation and integration.</li> <li>• Having extensive prior experience in business process re-engineering and developing strategic information systems architectures and plans preferably for government financial management systems;</li> <li>• Experience in at least three systems implementation and integration projects with similar size (complexity, user base).</li> <li>• Having good communication skill, very good command in English.</li> </ul>
4	Database Expert	<ul style="list-style-type: none"> <li>• Must have at least Master in Computer Science/Electronics/Applied Physics degree with IT qualification.</li> <li>• Should have relevant Vendor certificates</li> <li>• Must possess at overall 8 years of working experience in the area of Database systems design, implementation and management.</li> <li>• Experience in at least 3 projects in design, implementation and management of database systems for large IT systems of similar size and scale</li> </ul>

No.	Position	Information System Experience [Specify specific experience requirement for the key positions]
		<ul style="list-style-type: none"> <li>• Experience in Installing and upgrading the database server and application Tools, Good experience in Database Performance Tuning, modifying the database structure, as necessary, from information given by application developers</li> <li>• Experience Planning for backup and recovery of database information and under Storage Area Network (SAN) environment</li> </ul>
5	Infrastructure and Security Expert	<ul style="list-style-type: none"> <li>• Must have at least Master in Computer Science//Computer Engineering/Information Technology/Electrical from any recognized university.</li> <li>• Should have at least 10 years' experience in Server Administration, Storage, Networking, Virtualization, Data Security and Data centre technology &amp; management.</li> <li>• Experience in at least 3 IT infrastructure solution design and implementation projects of similar size and scale</li> <li>• Good experience required in Web base application deployment and data synchronization</li> <li>• Experience in under Storage Area Network (SAN) environment</li> <li>• Vendor Certification required in respective field of Server Administration, Networking, Security and Data Centre</li> <li>• Having advanced professional international certification/ accreditation will be plus</li> <li>• Having good communication skill, very good command in English</li> </ul>

The Bidder shall provide details of the Key Personnel and such other Key Personnel that the Bidder considers appropriate to perform the Contract, together with their academic qualifications and work experience. The Bidder shall complete the relevant Forms in Section IV, Bidding Forms.

## 4. Equipment

The Bidder must demonstrate that it will have access to the key Supplier's equipment listed hereafter:

N°	Item	Unit	Quantity
1	Supply and delivery of end user's equipment for office used		
1.1	Desktop	U	4
1.2	Cheque Scanners	U	10
1.3	Desktop Flatbed Scanners	U	4
1.4	Printer – Enterprise with Color Option	U	2
1.5	Monitoring Flat Screen 55"	U	2
1.6	E-Token		200

The Bidder shall provide further details of proposed items of equipment using the relevant Form in Section IV.

## Section IV - Bidding Forms

### Table of Forms

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## Letter of Bid

**Date of this Bid submission:** *[insert date (as day, month and year) of Bid submission]*

**OCBI / LCB No.:** *[insert number of bidding process as per procurement plan]*

**Invitation for Bid No.:** *[insert same IFB No. as advertised]*

**Alternative No.:** *[insert identification No if this is a Bid for an alternative]*

**To:** *[insert complete name of Purchaser]*

- (a) **Eligibility of Bidder:** We, including any subcontractors or suppliers for any part of the Contract, have nationalities from eligible countries and meet the eligibility requirements and have no conflict of interest in accordance with ITB 4;
- (b) **Conformity:** We offer to execute in conformity with the bidding document the following: Design, Supply, Installation, configuration and training of Integrated Automated Transfer System (ATS) software and IT Infrastructure
- (c) **Bid Price:** The total price of our Bid, excluding any discounts offered in item (g) below is: *[insert the total price of the Bid in words and figures, indicating the various amounts and the respective currencies];*
- (d) **Bid Validity Period:** Our Bid shall be valid for a period specified in BDS ITB 18.1 (or as amended, if applicable) from the date fixed for the Bid submission deadline in accordance with the bidding document, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (e) **One Bid Per Bidder:** We are not submitting any other Bid(s) as an individual Bidder or as a subcontractor, and we are not participating in any other Bid(s) as a Joint Venture member, and meet the requirements of ITB 4.3, other than alternative Bids submitted in accordance with ITB 13;
- (f) **Suspension and Debarment:** We, along with any of our subcontractors, suppliers, consultants, manufacturers, or service providers for any part of the contract, are not subject to, and not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the Bank or a debarment imposed by the Bank in accordance with the Agreement for Mutual Enforcement of Debarment Decisions between the Bank and other development banks. Further, we are not ineligible under the Purchaser's Country laws or official regulations or pursuant to a decision of the United Nations Security Council;
- (g) **Bid Price:** The total price of our Bid, excluding any discounts offered in item (g) below is: *[insert the total price of the Bid in words and figures, indicating the various amounts and the respective currencies];*

- (h) **Suspension and Debarment:** We, along with any of our subcontractors, suppliers, consultants, manufacturers, or service providers for any part of the contract, are not subject to, and not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the Bank or a debarment imposed by the Bank in accordance with the Agreement for Mutual Enforcement of Debarment Decisions between the Bank and other development banks. Further, we are not ineligible under the Purchaser's Country laws or official regulations or pursuant to a decision of the United Nations Security Council;
- (i) **State-owned enterprise or institution:** *[select the appropriate option and delete the other] [We are not a state-owned enterprise or institution] / [We are a state-owned enterprise or institution];*
- (j) **Commissions, gratuities and fees:** We have paid, or will pay the following commissions, gratuities, or fees with respect to the Bidding process or execution of the Contract: *[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity]*

Name of Recipient	Address	Reason	Amount

*(If none has been paid or is to be paid, indicate "none.")*

- (k) **Binding Contract:** We understand that this Bid, together with your written acceptance thereof included in your Letter of Acceptance, shall constitute a binding contract between us, until a formal contract is prepared and executed;
- (l) **Not Bound to Accept:** We understand that you are not bound to accept the lowest evaluated cost Bid, or any other Bid that you may receive; and
- (p) **Fraud and Corruption:** We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf engages in any type of Fraud and Corruption; and
- (q) **Adjudicator:** We accept the appointment of *[insert name proposed in Bid Data Sheet]* as the Adjudicator.

*[or]*

We do not accept the appointment of *[insert name proposed in Bid Data Sheet]* as the Adjudicator, and propose instead that *[insert name]* be appointed as Adjudicator, whose daily fees and biographical data are attached.

**Name of the Bidder:** *\*[insert complete name of person signing the Bid]*

**Name of the person duly authorized to sign the Bid on behalf of the Bidder:** *\*\*[insert complete name of person duly authorized to sign the Bid]*

**Title of the person signing the Bid:** *[insert complete title of the person signing the Bid]*

**Signature of the person named above:** *[insert signature of person whose name and capacity are shown above]*

**Date signed** *[insert date of signing]* **day of** *[insert month], [insert year]*

- \* In the case of the Bid submitted by joint venture specify the name of the Joint Venture as Bidder or names of all members (partners) of JV and sign on behalf of the JV and not on behalf of only one member that has been given power of attorney.
- \*\* Person signing the Bid shall have the power of attorney given by the Bidder to be attached with the Bid. If the Bidder is a JV, the power of attorney shall be given by the JV or by all members of the JV.

**Price Schedule Forms**  
**Grand Summary Cost Table**

		<i>[ insert: Local Currency ] Price</i>	<i>[ insert: Foreign Currency A ] Price</i>	<i>[ insert: Foreign Currency B ] Price</i>	<i>[ insert: Foreign Currency C ] Price</i>
1.	Supply and Installation Costs (from Supply and Installation Cost Summary Table)				
2.	Recurrent Costs (from Recurrent Cost Summary Table)				
3.	Information system Manufactured Outside the Purchaser's Country, to be Imported				
	Grand Totals (to Bid Submission Form)				

Name of Bidder:		



Authorized Signature of Bidder:		
---------------------------------	--	--

### Supply and Installation Cost Summary Table

Costs MUST reflect prices and rates quoted.

			Supply & Installation Prices				
			Locally supplied items	Items supplied from outside the Purchaser's Country			
Line Item No.	Subsystem / Item	Supply and Installation Cost Sub- Table No.	<i>[ insert: Local Currency ]</i> Price	<i>[ insert: Local Currency ]</i> Price	<i>[ insert: Foreign Currency A]</i> Price	<i>[ insert: Foreign Currency B]</i> Price	<i>[ insert: Foreign Currency C]</i> Price
0	Project Plan	--	--	--	--	--	--
1	Subsystem 1	1					
SUBTOTALS							
TOTAL (To Grand Summary Table)							

**Note:**      -- indicates not applicable. "Indicates repetition of table entry above. Refer to the relevant Supply and Installation Cost Sub-Table for the specific components that constitute each Subsystem or line item in this summary table

### Recurrent Cost Summary Table

Costs MUST reflect prices and rates quoted.

Line Item No.	Subsystem / Item	Recurrent Cost Sub-Table No.	<i>[ insert: Local Currency ] Price</i>	<i>[ insert: Foreign Currency A ] Price</i>	<i>[ insert: Foreign Currency B ] Price</i>	<i>[ insert: Foreign Currency C ] Price</i>
y	Recurrent Cost Items					
y.1	—	y.1				
	Subtotals (to Grand Summary Table)					

**Note:** Refer to the relevant Recurrent Cost Sub-Tables for the specific components that constitute the Subsystem or line item in this summary table.

Name of Bidder:		
Authorized Signature of Bidder:		

Price Schedule: Information system Manufactured Outside the Purchaser's Country, to be Imported								
				(Group C Bids, information system to be imported)		Date: _____ OCBI / LCB No: _____ Alternative No: _____ Page N° ____ of ____		
				Currencies in accordance with ITB 15				
1	2	3	4	5	6	7	8	9
Line Item N°	Description of Information system	Country of Origin	Delivery Date as defined by Incoterms	Quantity and physical unit	Unit price CIP <i>[insert place of destination] as specified in BDS</i> in accordance with ITB 14.9(b)(i)  [Include herein the cost applicable under column 8 if the destination is the same as final destination and indicate under column 6 "Unit price CIP final destination"]	CIP Price per line item (Col. 5x6)	Price per line item for inland transportation and other services required in the Purchaser's Country to convey the Information system to their final destination as specified in BDS in accordance with ITB 14.9 (b) (ii)  [This column is not applicable if destination as per column 6 under ITB 14.9 (b) (i) and final destination as per ITB 14.9 (b) (ii) is the same]	Total Price per Line item (Col. 7+8)
<i>[insert number of the item]</i>	<i>[insert name of Good]</i>	<i>[insert country of origin of the Good]</i>	<i>[insert quoted Delivery Date]</i>	<i>[insert number of units to be supplied and name of the physical unit]</i>	<i>[insert unit price CIP per unit]</i>	<i>[insert total CIP price per line item]</i>	<i>[insert the corresponding price per line item]</i>	<i>[insert total price of the line item]</i>
							Total Price	
Name of Bidder <i>[insert complete name of Bidder]</i> Signature of Bidder <i>[signature of person signing the Bid]</i> Date <i>[Insert Date]</i>								

## Country of Origin Code Table

[illegible]

## Forms of Bid Security

### Form of Bid Security - Bank Guarantee

*[Guarantor letterhead or SWIFT identifier code]*

**Beneficiary:** *[Insert name and address of the Purchaser]*

**Invitation for Bids No:** *[Purchaser to insert the same IFB number as advertised]*

**OCBI No:** *[Purchaser to insert same OCBI number as in procurement plan]*

**Alternative No.:** *[Insert identification No if this is a Bid for an alternative]*

**Date:** *[Insert date of issue]*

**BID GUARANTEE No.:** *[Insert guarantee reference number]*

**Guarantor:** *[Insert Guarantor's name and address of place of issue, unless indicated in the letterhead]*

We have been informed that *[insert name of the Bidder, which in the case of a joint venture shall be the name of the joint venture (whether legally constituted or prospective) or the names of all members thereof]* (hereinafter called "the Applicant") has submitted or will submit to the Beneficiary its Bid (hereinafter called "the Bid") for the execution of *[insert description of contract]* under Invitation for Bids No. *[insert number]* ("the IFB") and Open Competitive Bidding (International)/Limited Competitive Bidding (LCB) No.----- (" the OCBI").

Furthermore, we understand that, according to the Beneficiary's conditions, Bids must be supported by a Bid guarantee.

At the request of the Applicant to issue this guarantee, we, as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of *[insert amount in letters]* (*insert amount in numbers*) upon receipt by us of the Beneficiary's complying supported by the Beneficiary's statement, whether in the demand itself or a separate signed document accompanying or identifying the demand, stating either that the Applicant:

- (a) has withdrawn its Bid during the period of Bid validity specified by the Applicant in the Letter of Bid ("the Bid Validity Period"), or any extension thereto provided by the Applicant; or
- (b) having been notified of the acceptance of its Bid by the Beneficiary during the period of Bid validity, (i) fails to execute the contract agreement or (ii) fails to furnish the performance security and, if required, the Environmental and Social

(ES) Performance Security, in accordance with the Instructions to Bidders ("ITB") of the Beneficiary's bidding document.

This guarantee will expire: (a) if the Applicant is the successful Bidder, upon our receipt of copies of the contract agreement signed by the Applicant and the performance security and, if required, the Environmental and Social (ES) Performance Security, issued to the Beneficiary in relation to such contract agreement; and (b) if the Applicant is not the successful Bidder, upon the earlier of (i) our receipt of a copy of the Beneficiary's notification to the Applicant of the results of the Bidding process; or (ii) twenty-eight days after the end of the Bid Validity Period.

Consequently, any demand for payment under this guarantee must be received by us at the office indicated above on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758.

---

*[signature(s)]*

*[Note: In case the Applicant is a Joint Venture indicate the name of the Joint Venture or names of all members of the Joint Venture that submitted or will submit the Bid]*

***Note: All italicized text is for use in preparing this form and shall be deleted from the final product.***

## Form of Bid Security – Bid Bond

*[The Surety shall fill in this Bid Bond Form in accordance with the instructions indicated.]*

Date: [date (as day, month and year)] \_\_\_\_\_

IFB No. \_\_\_\_\_

OCBI/LCB No.: [number as in procurement plan].

Alternative No.: [insert identification No. if this is a Bid for an alternative] \_\_\_\_\_

BOND NO. \_\_\_\_\_

BY THIS BOND *[name of Bidder]* as Principal (hereinafter called "the Principal"), and *[name, legal title, and address of surety]*, authorized to transact business in *[name of country of Purchaser]*, as Surety (hereinafter called "the Surety"), are held and firmly bound unto *[name of Purchaser]* as Obligee (hereinafter called "the Purchaser") in the sum of *[amount of Bond]*<sup>5</sup> *[amount in words]*, for the payment of which sum, well and truly to be made, we, the said Principal and Surety, bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Principal has submitted a written Bid to the Purchaser dated the \_\_\_\_ day of \_\_\_\_, 20\_\_, for the execution of *[name of Contract]* (hereinafter called the "Bid").

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal:

- (a) has withdrawn its Bid during the period of bid validity set forth in the Principal's Letter of Bid ("the Bid Validity Period"), or any extension thereto provided by the Principal; or
- (b) having been notified of the acceptance of its Bid by the Purchaser during the Bid Validity Period or any extension thereto provided by the Principal: (i) failed to execute the contract agreement; or (ii) has failed to furnish the Performance Security and, if required, the Environmental and Social (ES) Performance Security, in accordance with the Instructions to Bidders ("ITB") of the Purchaser's bidding document.

then the Surety undertakes to immediately pay to the Purchaser up to the above amount upon receipt of the Purchaser's first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser shall state that the demand arises from the occurrence of any of the above events, specifying which event(s) has occurred.

<sup>5</sup> The amount of the Bond shall be denominated in the currency of the Employer's country or the equivalent amount in a freely convertible currency.

The Surety hereby agrees that its obligation will remain in full force and effect up to and including the date 28 days after the date of expiration Bid Validity Period set forth in the Principal's Letter of Bid or any extension thereto provided by the Principal.

IN TESTIMONY WHEREOF, the Principal and the Surety have caused these presents to be executed in their respective names this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

Principal: \_\_\_\_\_  
Corporate Seal (where appropriate)

Surety: \_\_\_\_\_

\_\_\_\_\_  
*(Signature)*  
*(Printed name and title)*

\_\_\_\_\_  
*(Signature)*  
*(Printed name and title)*



## Form of Bid-Securing Declaration

Date: *[insert date (as day, month and year)]*

OCBI/LCB No.: *[insert number as in procurement plan]*

Alternative No.: *[insert identification No if this is a Bid for an alternative]*

To: *[insert complete name of Purchaser]*

We, the undersigned, declare that:

We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

We accept that we will automatically be suspended from being eligible for bidding in any contract with the Purchaser for the period of time of *[insert number of months or years consistent with BDS 19.9]*, if we are in breach of our obligation(s) under the bid conditions, because we:

- (a) have withdrawn our Bid during the period of Bid validity specified in the Letter of Bid; any extension thereto provided by us or
- (b) having been notified of the acceptance of our Bid by the Purchaser during the period of bid validity, (i) fail or refuse to execute the Contract, if required, or (ii) fail or refuse to furnish the Performance Security and, if required, the Environmental and Social (ES) Performance Security, in accordance with the ITB.

The start date of suspension shall be the first date we perform any of the actions mentioned in paragraphs (a) and (b) above. We understand this Bid-Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of our Bid.

Name of the Bidder\* *[insert complete name of person signing the Bid]*

Name of the person duly authorized to sign the Bid on behalf of the Bidder

\*\* *[insert complete name of person duly authorized to sign the Bid]*

Title of the person signing the Bid

*[insert complete title of the person signing the Bid]*

Signature of the person named above *[insert signature of person whose name and capacity are shown above]*

Date signed: *[insert date of signing]* day of *[insert month]*, *[insert year]*

- \* In the case of the Bid submitted by joint venture specify the name of the Joint Venture as Bidder
- \*\* Person signing the Bid shall have the power of attorney given by the Bidder to be attached with the Bid *[Note: In case of a Joint Venture, the Bid-Securing Declaration must be in the name of all members to the Joint Venture that submits the Bid.]*

## **Technical Bid**

### **Technical Bid Forms**

- **Technical Bid-Base Bid**
- **Key Personnel Schedule**
- **Equipment**
- **Site Organization**
- **Method Statement**
- **Mobilization Schedule**
- **Construction Schedule**
- **ES Management Strategies and Implementation Plans**
- **Code of Conduct (ES)**
- **Others**

## Technical Bid-Base Bid

*OCBI No..... [Purchaser to insert OCBI No. as in procurement plan]*

***[Note for information of Bidder:*** *Bidders shall demonstrate compliance with the Purchaser's requirements and Technical Specifications as described in Section VII of the Bidding Documents. Any departures or deviations from the required Technical Specifications shall be highlighted and if there are none, full compliance shall be confirmed.*

*The Bidder shall provide the Technical Bid for the Base-Bid complete in all respect including Technical information and standards, codes, designs and specifications, of Works offered along with all documentation mentioned in ITB 16 and Section VII of the Bidding Document. This will include relevant literatures, data or drawings, test results and other supporting documents, including all information requested in the Bidding Document and as may be necessary to establish conformity with the Purchaser's Specifications and requirements.*

*Any deviations in the technical standards, codes, designs or specifications or other requirements from those stated in the Bidding Documents shall be explained indicating their impact on the performance requirements, characteristics or parameters of the information system. To this end, for any such deviations to be acceptable, bid shall establish to the satisfaction of the Purchaser substantial responsiveness to the required technical specifications by explaining and documenting for the offered information system, equivalency with or improvement to the required technical standards, codes, designs and Specifications.*

*Any Major deviation from the Purchaser's requirements shall be the cause for rejection of the Bid. Any deviation which in the Bidder's opinion is considered minor, the Bidder shall provide evidence to this effect including evidence of any monetary implications caused by such deviation. The Purchaser's evaluation shall be independent of Bidder's opinion on such matters and shall be final]*

## FORM PER -1

OCBI No..... *[Purchaser to insert OCBI No. as in procurement plan]*

### Key Personnel Schedule

Bidders should provide the names and details of the suitably qualified Key Personnel to perform the Contract. The data on their experience should be supplied using the Form PER-2 below for each candidate.

#### Key Personnel

1.	Title of position:	
	Name of candidate:	
	Duration of appointment:	<i>[insert the whole period (start and end dates) for which this position will be engaged]</i>
	Time commitment for this position:	<i>[insert the number of days/week/months/ that has been scheduled for this position]</i>
	Expected time schedule for this position:	<i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i>
2.	Title of position: <i>[Environmental Specialist]</i>	
	Name of candidate:	
	Duration of appointment:	<i>[insert the whole period (start and end dates) for which this position will be engaged]</i>
	Time commitment for this position:	<i>[insert the number of days/week/months/ that has been scheduled for this position]</i>
	Expected time schedule for this position:	<i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i>
3.	Title of position: <i>[Health and Safety Specialist]</i>	
	Name of candidate:	
	Duration of appointment:	<i>[insert the whole period (start and end dates) for which this position will be engaged]</i>
	Time commitment for this position:	<i>[insert the number of days/week/months/ that has been scheduled for this position]</i>
	Expected time schedule for this position:	<i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i>

4.	Title of position: <i>[Social Specialist]</i>	
	Name of candidate:	
	Duration of appointment:	<i>[insert the whole period (start and end dates) for which this position will be engaged]</i>
	Time commitment: for this position:	<i>[insert the number of days/week/months/ that has been scheduled for this position]</i>
	Expected time schedule for this position:	<i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i>
5.	<b>Title of position: Sexual Exploitation, Abuse and Harassment Expert</b> <i>[Where a Project SEA risks are assessed to be substantial or high, Key Personnel shall include an expert with relevant experience in addressing sexual exploitation, sexual abuse and sexual harassment cases]</i>	
	Name of candidate	
	Duration of appointment:	<i>[insert the whole period (start and end dates) for which this position will be engaged]</i>
	Time commitment: for this position:	<i>[insert the number of days/week/months/ that has been scheduled for this position]</i>
	Expected time schedule for this position:	<i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i>
6.	Title of position: <i>[insert title]</i>	
	Name of candidate	
	Duration of appointment:	<i>[insert the whole period (start and end dates) for which this position will be engaged]</i>
	Time commitment: for this position:	<i>[insert the number of days/week/months/ that has been scheduled for this position]</i>
	Expected time schedule for this position:	<i>[insert the expected time schedule for this position (e.g. attach high level Gantt chart)]</i>

## Form PER-2

OCBI No..... *[Purchaser to insert OCBI No. as in procurement plan]*

### Resume and Declaration - Key Personnel

Name of Bidder
----------------

Position [# 1]: <i>[title of position from Form PER-1]</i>		
Personnel information	Name:	Date of birth:
	Address:	E-mail:
	Professional qualifications:	
	Academic qualifications:	
	Language proficiency: <i>[language and levels of speaking, reading and writing skills]</i>	
details		
	Address of purchaser:	
	Telephone:	Contact (manager / personnel officer):
	Fax:	
	Job title:	Years with present purchaser:

Summarize professional experience in reverse chronological order. Indicate particular technical and managerial experience relevant to the project.

Project	Role	Duration of involvement	Relevant experience
<i>[main project details]</i>	<i>[role and responsibilities on the project]</i>	<i>[time in role]</i>	<i>[describe the experience relevant to this position]</i>

## Declaration

I, the undersigned Key Personnel, certify that to the best of my knowledge and belief, the information contained in this Form PER-2 correctly describes myself, my qualifications and my experience.

I confirm that I am available as certified in the following table and throughout the expected time schedule for this position as provided in the Bid:

Commitment	Details
Commitment to duration of contract:	<i>[insert period (start and end dates) for which this Key Personnel is available to work on this contract]</i>
Time commitment:	<i>[insert the number of days/week/months/ that this Key Personnel will be engaged]</i>

I understand that any misrepresentation or omission in this Form may:

- a. be taken into consideration during Bid evaluation;
- b. my disqualification from participating in the Bid;
- c. my dismissal from the contract.

Name of Key Personnel: *[insert name]*

Signature: \_\_\_\_\_

Date: (day month year): \_\_\_\_\_

Countersignature of authorized representative of the Bidder:

Signature: \_\_\_\_\_

Date: (day month year): \_\_\_\_\_



## Equipment

*OCBI No..... [Purchaser to insert OCBI No. as in procurement plan]*

The Bidder shall provide adequate information to demonstrate clearly that it has the capability to meet the requirements for the key equipment listed in Section III (Evaluation and Qualification Criteria). A separate Form shall be prepared for each item of equipment listed, or for alternative equipment proposed by the Bidder. The Bidder shall provide all the information requested below, to the extent possible. Fields with asterisk (\*) shall be used for evaluation.

<b>Type of Equipment*</b>		
<b>Equipment Information</b>	<b>Name of manufacturer,</b>	<b>Model and power rating</b>
	<b>Capacity*</b>	<b>Year of manufacture*</b>
<b>Current Status</b>	<b>Current location</b>	
	<b>Details of current commitments</b>	
<b>Source</b>	<b>Indicate source of the equipment</b> <input type="checkbox"/> Owned <input type="checkbox"/> Rented <input type="checkbox"/> Leased <input type="checkbox"/> Specially manufactured	

The following information shall be provided only for equipment not owned by the Bidder.

<b>Owner</b>	<b>Name of owner</b>	
	<b>Address of owner</b>	
	<b>Telephone</b>	<b>Contact name and title</b>
	<b>Fax</b>	<b>Telex</b>
<b>Agreements</b>	<b>Details of rental / lease / manufacture agreements specific to the project</b>	

## Form ELI -1.1: Bidder Information Form

Date: \_\_\_\_\_

OCBI No. and title: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

Bidder's name

In case of Joint Venture (JV), name of each member:

Bidder's actual or intended country of registration:

*[indicate country of Constitution]*

Bidder's actual or intended year of incorporation:

Bidder's legal address [in country of registration]:

Bidder's authorized representative information

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone/Fax numbers: \_\_\_\_\_

E-mail address: \_\_\_\_\_

1. Attached are copies of original documents of

- ☐ Articles of Incorporation (or equivalent documents of constitution or association), and/or documents of registration of the legal entity named above, in accordance with ITB 4.4.
- ☐ In case of JV, letter of intent to form JV or JV agreement, in accordance with ITB 4.1.
- ☐ In case of state-owned enterprise or institution, in accordance with ITB 4.6 documents establishing:
  - Legal and financial autonomy
  - Operation under commercial law
  - Establishing that the Bidder is not under the supervision of the Purchaser

2. Included are the organizational chart, a list of Board of Directors, and the beneficial ownership. *[If required under BDS ITB 47.1, the successful Bidder shall provide additional information on beneficial ownership, using the Beneficial Ownership Disclosure Form.]*



## Form ELI -1.2: Information Form for JV Bidders

(to be completed for each member of Joint Venture)

Bidder's Name: \_\_\_\_\_

Date: \_\_\_\_\_

JV Member's Name \_\_\_\_\_

OCBI No. and title: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

Name of the Reporting Firm \_\_\_\_\_

### JV Information of the Reporting Firm

Bidder's Joint Venture name:
JV member's name:
JV member's country of registration:
JV member's year of constitution:
JV member's legal address in country of constitution:
JV member's authorized representative information Name: _____ Address: _____ Telephone/Fax numbers: _____ E-mail address: _____
1. Attached are copies of original documents of <input type="checkbox"/> Articles of Incorporation (or equivalent documents of constitution or association), and/or registration documents of the legal entity named above, in accordance with ITB 4.4. <input type="checkbox"/> In case of a state-owned enterprise or institution, documents establishing legal and financial autonomy, operation in accordance with commercial law, and is not under the supervision of the Purchaser, in accordance with ITB 4.6. 2. Included are the organizational chart, a list of Board of Directors, and the beneficial ownership. <i>[If required under BDS ITB 47.1, the successful Bidder shall provide additional information on beneficial ownership for each JV member using the Beneficial Ownership Disclosure Form.]</i>

## Form ELI -1.3

### Eligible Materials, Equipment and Services Form

(to be completed by the Bidder)

Bidder's Name: \_\_\_\_\_

Date: \_\_\_\_\_

OCBI No. and title: \_\_\_\_\_

Page \_\_\_\_ of \_\_\_\_ pages

**Eligible Materials, Equipment and Services:** provide the following information for all Materials, Equipment and Services included under the Contract. Instead of listing each and every item, broad categories are listed below. Include all items in these categories unless any item to be supplied is not covered by any one of them in which case list them separately.

1 S. No.	2 Description of Broad Category of Materials/Equipment and Services	3 Estimated Quantity - <i>[State: "All quantity as required" or quantity by subcategory of items]</i>	Estimated Aggregate Value (US Dollar Equivalent)	5 Countries of Origin
1				
2				
3				
4				
5				

## Form CON – 2: Historical Contract Non-Performance, Pending Litigation and Litigation History

*[The form shall be filled in for the Bidder, and each member of a Joint Venture, if Bidder is a JV]*

Bidder's Name: \_\_\_\_\_

Date: \_\_\_\_\_

Joint Venture Member's Name \_\_\_\_\_

OCBI No. and title: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

Name of the Reporting Firm \_\_\_\_\_

### Historical Contract Non-Performance, Pending Litigation and Litigation History of the Reporting Firm

Non-Performed Contracts in accordance with Section III, Evaluation and Qualification Criteria

- ☐ Contract non-performance did not occur since 1<sup>st</sup> January *[insert year]* specified in Section III, Evaluation and Qualification Criteria, Sub-Factor 2.1.
- ☐ Contract(s) not performed since 1<sup>st</sup> January *[insert year]* specified in Section III, Evaluation and Qualification Criteria, requirement 2.1

Year	Non-performed portion of contract	Contract Identification	Total Contract Amount (current value, currency, exchange rate and US\$ equivalent)
<i>[insert year]</i>	<i>[insert amount and percentage]</i>	Contract Identification: <i>[indicate complete contract name/ number, and any other identification]</i> Name of Purchaser: <i>[insert full name]</i> Address of Purchaser: <i>[insert street/city/country]</i> Reason(s) for nonperformance: <i>[indicate main reason(s)]</i>	<i>[insert amount]</i>

Pending Litigation, in accordance with Section III, Evaluation and Qualification Criteria			
<input type="checkbox"/> No pending litigation in accordance with Section III, Evaluation and Qualification Criteria, Sub-Factor 2.3.			
<input type="checkbox"/> Pending litigation in accordance with Section III, Evaluation and Qualification Criteria, Sub-Factor 2.3 as indicated below.			

Year of dispute	Amount in dispute (currency)	Contract Identification	Total Contract Amount (currency), USD Equivalent (exchange rate)
		Contract Identification: _____ Name of Purchaser: _____ Address of Purchaser: _____ Matter in dispute: _____ Party who initiated the dispute: _____ _____ Status of dispute: _____	
		Contract Identification: Name of Purchaser: Address of Purchaser: Matter in dispute: Party who initiated the dispute: Status of dispute:	
Litigation History in accordance with Section III, Evaluation and Qualification Criteria			
<input type="checkbox"/> No Litigation History in accordance with Section III, Evaluation and Qualification Criteria, Sub-Factor 2.4.			
<input type="checkbox"/> Litigation History in accordance with Section III, Evaluation and Qualification Criteria, Sub-Factor 2.4 as indicated below.			
Year of award	Outcome as percentage of Net Worth	Contract Identification	Total Contract Amount (currency), USD Equivalent (exchange rate)

<i>[insert year]</i>	<i>[insert percentage]</i>	Contract Identification: [indicate complete contract name, number, and any other identification] Name of Purchaser: <i>[insert full name]</i> Address of Purchaser: <i>[insert street/city/country]</i> Matter in dispute: <i>[indicate main issues in dispute]</i> Party who initiated the dispute: <i>[indicate "Purchaser" or "Supplier"]</i> Reason(s) for Litigation and award decision <i>[indicate main reason(s)]</i>	<i>[insert amount]</i>
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## Form FIN – 3.1: Financial Situation and Performance

*[The form shall be filled in for the Bidder, and each member of a Joint Venture, if Bidder is a JV]*

Bidder's Name: \_\_\_\_\_

Date: \_\_\_\_\_

Joint Venture Member's Name \_\_\_\_\_

OCBI/LCB No. and title: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

Name of the Reporting Firm \_\_\_\_\_

Financial Situation and Performance of the Reporting Firm

### 1. Financial data

Type of Financial information in (currency)	Historic information for previous _____ years, _____ (amount in currency, currency, exchange rate, USD equivalent)				
	Year 1	Year 2	Year 3	Year 4	Year 5
Statement of Financial Position (Information from Balance Sheet)					
Total Assets (TA)					
Total Liabilities (TL)					
Total Equity/Net Worth (NW)					
Current Assets (CA)					
Current Liabilities (CL)					
Working Capital (WC)					
Information from Income Statement					
Total Revenue (TR)					
Profits Before Taxes (PBT)					
Cash Flow Information					

Cash Flow from Operating Activities					
-------------------------------------	--	--	--	--	--

## 2. Sources of Finance

Specify sources of finance to meet the cash flow requirements on works currently in progress and for future contract commitments.

No.	Source of finance	Amount (US\$ equivalent)
1		
2		
3		

## 3. Financial documents

The Bidder and its parties shall provide copies of financial statements for \_\_\_\_\_ years pursuant Section III, Evaluation and Qualifications Criteria, Sub-factor 3.2. The financial statements shall:

- (a) reflect the financial situation of the Bidder or in case of JV member, and not an affiliated entity (such as parent company or group member).
- (b) be independently audited or certified in accordance with local legislation.
- (c) be complete, including all notes to the financial statements.
- (d) correspond to accounting periods already completed and audited.

☐ Attached are copies of financial statements<sup>6</sup> for the \_\_\_\_\_ years required above; and complying with the requirements

<sup>6</sup> If the most recent set of financial statements is for a period earlier than 12 months from the date of bid, the reason for this should be justified.

## Form FIN - 3.2: Average Annual Turnover

*[The form shall be filled in for the Bidder, and each member of a Joint Venture, if Bidder is a JV]*

Bidder's Name: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Joint Venture Member's Name \_\_\_\_\_  
 OCBI/LCB No. and title: \_\_\_\_\_  
 Page \_\_\_\_\_ of \_\_\_\_\_ pages

Name of the Reporting Firm \_\_\_\_\_

Average Annual Turnover of the Reporting Firm

		Annual turnover data (construction only)	
Year	Amount Currency	Exchange rate	USD equivalent
<i>[indicate year]</i>	<i>[insert amount and indicate currency]</i>		
Average Annual Turnover *			

\* See Section III, Evaluation and Qualification Criteria, Sub-Factor 3.2.

## Form FIN - 3.3: Financial Resources

*[The form shall be filled in for the Bidder, and each member of a Joint Venture, if Bidder is a JV]*

Bidder's Name: \_\_\_\_\_

Date: \_\_\_\_\_

JV Member's Name \_\_\_\_\_

OCBI/LCB No. and title: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

Name of Reporting Firm: \_\_\_\_\_

### Financial Resources of the Reporting Firm

Specify proposed sources of financing, such as liquid assets, unencumbered real assets, lines of credit, and other financial means, net of current commitments, available to meet the total construction cash flow demands of the subject contract or contracts as specified in Section III, Evaluation and Qualification Criteria consistent with the information provided under Form CCC.

Source of financing	Amount (US\$ equivalent)
1.	
2.	
3.	
4.	

## Form EXP - 4.1: General Experience

*[The form shall be filled in for the Bidder, and each member of a Joint Venture, if Bidder is a JV]*

Bidder's Name: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Joint Venture Member's Name \_\_\_\_\_  
 OCBI/LCB No. and title: \_\_\_\_\_  
 Page \_\_\_\_\_ of \_\_\_\_\_ pages

Name of the Reporting Firm \_\_\_\_\_

General Experience of the Reporting Firm

Starting Year	Ending Year	Contract Identification	Role of Bidder
		Contract name: _____ Brief Description of the Information System performed by the Bidder: _____ Amount of contract: _____ Name of Purchaser: _____ Address: _____	
		Contract name: _____ Brief Description of the Information System performed by the Bidder: _____ Amount of contract: _____ Name of Purchaser: _____ Address: _____	
		Contract name: _____ Brief Description of the Information System performed by the Bidder: _____ Amount of contract: _____ Name of Purchaser: _____ Address: _____	



## Form EXP - 4.2(a)

### Specific and Contract Management Experience

*[The form shall be filled in for the Bidder, and each member of a Joint Venture, if Bidder is a JV and Specialized Supplier, if applicable]*

Bidder's Name: \_\_\_\_\_

Date: \_\_\_\_\_

JV Member's Name if the Bidder is a JV \_\_\_\_\_

Specialized Subcontractor's Name *[Insert full name if permitted]*

OCBI/LCB No. and title: \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_ pages

Name of the Reporting Firm \_\_\_\_\_

Specific Experience of the Reporting Firm

Similar Contract No.	Information
Contract Identification	<i>[insert contract name and number, if applicable]</i>
Name of the firm that was awarded the contract identified above	
Award date	<i>[insert day, month, year, e.g., 15 June 2016]</i>
Completion date**	<i>[insert day, month, year, e.g., 03 May 2018]</i>

<p>Role in Contract identified above  <i>[check the appropriate box. Check box as "Prime Supplier" if contract was awarded to the reporting firm as a single construction Supplier. Check Box "Member in JV" if the contract was awarded to a JV and was a member of the JV. Check Box "Management Supplier" if the reporting firm signed the information system contract and was responsible for its performance and completion of the system as per terms and conditions of the contract. Also see *** below. Check Box "Sub-Contractor" if the reporting firm was a sub-contractor appointed by the main Supplier who was awarded the contract]</i></p>	<p>Prime Supplier  <input type="checkbox"/></p>	<p>Member in JV  <input type="checkbox"/></p>	<p>Manager. Supplier  <input type="checkbox"/>***</p>	<p>Sub-Supplier  <input type="checkbox"/></p>
<p>Total Contract Amount</p>	<p><i>[insert total contract amount in local currency]</i></p>		<p>US\$ <i>[insert Exchange rate and total contract amount in US\$ equivalent]</i> *</p>	



<p>If reporting firm was a member in a "JV" or "sub-contractor", as per box checked above, it can claim experience only for its' own share of works actually performed under the contract and not the entire contract. As such, the reporting firm shall indicate its share as a percentage of the total Contract amount and also in absolute amount</p>	<p><i>[insert the percentage of the total contract amount indicated above which represents reporting firm's share under the contract performed]</i></p>	<p><i>[insert amount the reporting firm received or entitled to for the works performed as its share in the total contract amount in local currency]</i></p>	<p><i>[insert exchange rate and total contract amount in US\$ equivalent]*</i></p>
<p>Roles and Responsibilities</p>	<p><i>[Briefly describe roles and responsibilities of the Reporting firm under the above contract]</i></p>		
<p>Purchaser's Name:</p>	<p><i>[Insert Full Name]</i></p>		
<p>Address:  Telephone/fax number  E-mail:</p>	<p><i>[indicate street / number / town or city / country]</i>  <i>[insert telephone/fax numbers, including country and city area codes]</i>  <i>[insert e-mail address, if available]</i></p>		

\* Refer Section III for guidance on the date and source of exchange rate.

\*\* If contract is not fully completed but substantially completed then indicate the absolute total value of the completed part of the contract and also the percentage completion calculated as a percentage of the total value of the contract upon completion.

\*\*\* In claiming experience as a Management Supplier, the Bidder shall furnish copies of the contracts signed by the Bidder demonstrating scope of information system works performed. It should be noted that a Construction Manager is not the same as a Management Supplier. Construction Manager is a Consultant for or agent of the Borrower and mainly responsible for supervision of the information system works and does not take the risks associated with the performance of the information system contracts as the Management Supplier does. Instead of performing the information system works directly, a Management Supplier contracts out and manages the information system of other Suppliers taking on full responsibility and risk for price, quality and timely performance as per the terms and conditions of contracts it signs with the Purchasers.



**Form EXP - 4.2(a) (cont.)**  
**Specific and Contract Management Experience (cont.)**

Similar Contract No.	Information
Description of the similarity in accordance with Sub-Factor 4.2(a) of Section III:	
1. Amount	
2. Physical size of required information system items	
3. Complexity	
4. Methods/Technology	
5. Key activities	
6. Other Characteristics	

## Form EXP - 4.2(b): Experience in Key Activities

*[The form shall be filled in for the Bidder, and each member of a Joint Venture, if Bidder is a JV and Specialized Supplier, if applicable]*

Bidder's Name: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Joint Venture Member's Name \_\_\_\_\_  
 Subcontractor's Name<sup>7</sup> (as per ITB 34.2 and 34\_3): \_\_\_\_\_  
 OCBI/LCB No. and title: \_\_\_\_\_  
 Page \_\_\_\_\_ of \_\_\_\_\_ pages

Name of the Reporting Firm \_\_\_\_\_

Experience in Key Activities of the Reporting Firm under each contract completed or under implementation

Bidder, Members of the JV or proposed Specialized Suppliers claiming experience for key activities must complete the information in this form as per ITB 34.2 and 34.3 and Section III, Qualification Criteria and Requirements, Sub-Factor 4.2. *[Provide information for each contract separately when claiming experience by aggregating quantities of the key activity completed in more than one contract]*

1. Key Activity No One: \_\_\_\_\_

	Information			
Contract Identification				
Award date				
Completion date as per Contract				
Role in Contract	Prime Supplier <input type="checkbox"/>	Member in JV <input type="checkbox"/>	Management Supplier <input type="checkbox"/>	Sub-Supplier <input type="checkbox"/>
Total Contract Amount			US\$	

<sup>7</sup> If applicable.

Description of the key activities in accordance with Sub-Factor 4.2(b) of Section III:	Information		
	<i>[insert response to Purchaser's inquiry indicated in left column]</i>		
Quantity (Volume, number or rate of production, as applicable for the key activity) performed under the contract per year or part of the year. For each year indicate quantities performed and specify both start and end months.  <i>[Insert extent of participation indicating actual quantity of key activity successfully completed in the role performed]</i>	Total quantity in the contract (i)	Percentage participation (ii)	Actual Quantity Performed (i) x (ii)
Year 1 <i>[e.g. 2016 from January to September]</i>			
Year 2 <i>[e.g. 2017 from January to December]</i>			
Year 3			
Year 4			
In response to the criterion for rates of production in 12 consecutive months or less, if performance under more than one contract spread over more than one year are considered, the Applicant shall provide information by months for each such contract to demonstrate which same			
Purchaser's Name:			

Address:	
Telephone/fax number	
E-mail:	

	<b>Information</b>
Purchaser's Name:	
Address:	
Telephone/fax number	
E-mail:	

	<b>Information</b>
Description of the key activities in accordance with Sub-Factor 4.2(b) of Section III:	

2. Activity No. Two

3. ....

## Manufacturer's Authorization

**Note:** This authorization should be written on the letterhead of the Manufacturer and be signed by a person with the proper authority to sign documents that are binding on the Manufacturer.

Invitation for Bids Title and No.: *[Purchaser insert: RFB Title and Number]*

To: *[Purchaser insert: Purchaser's Officer to receive the Manufacture's Authorization]*

WHEREAS *[insert: Name of Manufacturer]* who are official producers of *[insert: items of supply by Manufacturer]* and having production facilities at *[insert: address of Manufacturer]* do hereby authorize *[insert: name of Bidder or Joint Venture]* located at *[insert: address of Bidder or Joint Venture]* (hereinafter, the "Bidder") to submit a bid and subsequently negotiate and sign a Contract with you for resale of the following Products produced by us:

We hereby confirm that, in case the bidding results in a Contract between you and the Bidder, the above-listed products will come with our full standard warranty.

Name *[insert: Name of Officer]* in the capacity of *[insert: Title of Officer]*

Signed \_\_\_\_\_

Duly authorized to sign the authorization for and on behalf of: *[insert: Name of Manufacturer]*

Dated this *[insert: ordinal]* day of *[insert: month]*, *[insert: year]*.  
*[add Corporate Seal (where appropriate)]*

## Subcontractor's Agreement

**Note:** This agreement should be written on the letterhead of the Subcontractor and be signed by a person with the proper authority to sign documents that are binding on the Subcontractor.

Invitation for Bids Title and No.: *[Purchaser insert: RFB Title and Number]*

To: *[Purchaser insert: Purchaser's Officer to receive the Subcontractor's Agreement]*

WHEREAS *[insert: Name of Subcontractor]*, having head offices at *[insert: address of Subcontractor]*, have been informed by *[insert: name of Bidder or Joint Venture]* located at *[insert: address of Bidder or Joint Venture]* (hereinafter, the "Bidder") that it will submit a bid in which *[insert: Name of Subcontractor]* will provide *[insert: items of supply or services provided by the Subcontractor]*. We hereby commit to provide the above named items, in the instance that the Bidder is awarded the Contract.

Name *[insert: Name of Officer]* in the capacity of *[insert: Title of Officer]*

Signed \_\_\_\_\_

Duly authorized to sign the authorization for and on behalf of: *[insert: Name of Subcontractor]*

Dated this *[insert: ordinal]* day of *[insert: month]*, *[insert: year]*.  
*[add Corporate Seal (where appropriate)]*



## Section V - Eligible Countries

### Eligibility for the Provision of Goods, Works and Services in Bank Group Financed Procurement

#### A. Provisions under Section 5 "Eligibility" of the Procurement Policy for Bank Group Funded Operations and Chapter A2 of the Operations Procurement Manual under Procurement Framework of the African Development Bank

1. The African Development Fund (ADF) permits firms and individuals from all countries to offer information system, works and services for ADF funded projects.

However, the proceeds of any Financing undertaken in the operations of the African Development Bank (ADB) and the Nigeria Trust Fund (NTF) shall be used for procurement of information system and works, including the related services, provided by bidders from Eligible<sup>1</sup> Countries.<sup>2</sup> Any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfill the contract in question. In the case of ADB and NTF, bidders from non-Member Countries offering information system, works and related services (including transportation and insurance) are not eligible even if they offer these from Eligible Member Countries. Any waiver to this rule will be in accordance with the Articles 17(1) (d) of the Agreement Establishing the African Development Bank and 4.1 of the Agreement Establishing the Nigeria Trust Fund.

#### B. Rules and Procedures for Procurement of Information system and Works

### Overview

1. The eligibility criteria for participation in the supply of information system, works and related services, to be procured through the ADB and NTF Financing, derive from the requirements of the Agreement Establishing the African Development Bank, Article 17.1.d, and the Agreement Establishing the Nigeria Trust Fund, Article 4.1. The foregoing requirements basically prescribe two types of eligibility criteria:
  1. The eligibility of the bidder;
  2. The eligibility of the information system, works and related services.

<sup>1</sup> Refer to Bank Framework for additional information on Eligibility.

<sup>2</sup> "Eligible Countries" shall mean: (a) in the case of the African Development Bank (ADB) and the Nigeria Trust Fund, the Member Countries of the ADB; and (b) in the case of the African Development Fund (ADF), any country.

### Eligibility of the Bidder Under the ADB & NTF Financing

2. The eligibility of the bidder shall be based on nationality, in accordance with the following rules:
  - (a) Natural Persons: A natural person is eligible if he or she is a national of a Member Country of the ADB. Where a person has more than one nationality, such a person shall be eligible if the nationality indicated in his or her bid is that of a Member Country of the ADB.
  - (b) Corporations: A corporation is eligible if it satisfies the following criteria:
    1. it is incorporated in a country that is a Member of the ADB;
    2. it is a national of a country that is a Member of the ADB, as determined by the law of its place of incorporation;
    3. it has its principal place of business in a country that is a Member of the ADB.
  - (c) Joint Ventures and Associations: An unincorporated joint venture, partnership, or association, shall be eligible if more than 50% of the value of its works and/or services is executed by its members satisfying the eligibility requirements for individuals or corporations.

### Eligibility of the Information system, Works and Related Services

3. In order to be eligible, the information system to be procured must have been mined, grown, or produced, in the form in which they are purchased, in an Eligible Member Country.
4. For works contracts, which may include civil works, plant construction, or turnkey contracts, the contractor must satisfy the nationality criteria of eligibility, either as a natural person, or corporation, or joint venture and association. Labour, equipment, and materials needed for carrying out the works contract, shall be supplied from Eligible Member Countries.
5. For contracts, which have been awarded on the basis of Cost, Insurance and Freight (CIF), or Carriage and Insurance Paid (CIP), bidders shall be free to arrange for ocean and other transportation, and the related insurance, from any Eligible Member Country. On the other hand, where information system is shipped on FOB basis, and the Bank has agreed to finance transportation and insurance separately, which are arranged by the purchaser, under a separate contract, the Bank shall be satisfied that the services are supplied from Eligible Member Countries.

## List of Eligible Countries

6. List of Eligible countries can be found in African Development Bank's website:

[Eligible Countries](#)

## Ineligible Countries in reference to ITB 4.8 and ITB 5.1

7. In reference to ITB 4.8 and ITB 5.1, for the information of the Bidders, at the present time firms, information system and services from the following countries are excluded from this Bidding process:

Under ITB 4.8(a) and ITB 5.1: **None.**

Under ITB 4.8(b) and ITB 5.1: **None**

## Section VI - Fraud and Corruption

(Section VI shall not be modified)

### 1. Purpose

1.1 The Bank's Integrity Framework and this annex apply with respect to procurement under Bank Investment Project Financing operations.

### 2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption<sup>1</sup>.

2.2 To this end, the Bank:

- a. Defines, for the purposes of this provision, the terms set forth below as follows:
  - i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party<sup>2</sup>;
  - ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party<sup>3</sup> to obtain financial or other benefit or to avoid an obligation;
  - iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

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<sup>1</sup> In this context, any action to influence the procurement process or contract execution for undue advantage is improper.

<sup>2</sup> For the purpose of this sub-paragraph, "another party" refers to a public official acting in relation to the procurement process or contract execution, including Bank staff and employees of other organizations taking or reviewing procurement decisions.

<sup>3</sup> For the purpose of this sub-paragraph, "party" refers to a public official, including Bank staff and employees of other organizations taking or reviewing procurement decisions.; the terms "benefit" and "obligation" relate to the procurement process or contract execution; and the "act or omission" is intended to influence the procurement process or contract execution."

- iv. “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- v. “obstructive practice” is:
  - 1. deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
  - 2. acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under paragraph 2.2 e. below.
- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
- d. Pursuant to the Bank’s Integrity Framework, and in accordance with the Bank’s prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any

- other manner;<sup>4</sup> (ii) to be a nominated<sup>5</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
- e. Requires that a clause be included in bidding documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect<sup>6</sup> all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

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<sup>4</sup> For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>5</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

<sup>6</sup> Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

## **Part 2: Purchaser's Requirements**





## **Section VII - Requirements of the Information System**

**(INCLUDING TECHNICAL REQUIREMENTS, IMPLEMENTATION SCHEDULE, SYSTEM INVENTORY TABLES, BACKGROUND AND INFORMATIONAL MATERIALS)**

# Technical Requirements

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## A. ACRONYMS USED IN THE TECHNICAL REQUIREMENTS

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### 0.1 Acronym Table

ACH	Automated Clearing House.
AG's Office	Accountant General's Office
ASYCUDA	Automated System for Customs Data
ATM	Automated Teller Machine.
ATS+	Automated Transfer System.
BIS	Bank for International Settlements.
SSD	South Sudanese Dollar.
BOSS	Bank of South Sudan.
CBS	Core Banking System.
COUSINS	Comprehensive Underlying Systems Integration.
CPSS	Committee on Payment and Settlement Systems.
CRR	Cash Reserve Requirement



CSD	Central Securities Depository.
CUG	(SWIFT) Closed User Group.
DBMS	Database Management System.
DR	Disaster Recovery.
EBS	Enterprise Business Solution.
GICS	Government Integrated Cashiering System
GL	General Ledger.
GOSS	Government of South Sudan.
GST	General Sales Tax.
GUI	Graphical User Interface.
ICT	Information and Communications Technology.
IFT	Instant Funds Transfer.
IOSCO	International Organization of Securities Commissions.
LAN	Local Area Network.
MOF	Ministry of Finance.
MTO	Money Transfer Operator.
NPS	National Payments System.
POS	Point of Sale.
Repo	Repurchase Agreement.
RFP	Request for Proposals
RTGS	Real Time Gross Settlement.
SLA	Service Level Agreement.
STP	Straight-Through Processing.
TSA	Treasury Single Account.
VPN	Virtual Private Network

## B. FUNCTIONAL, ARCHITECTURAL AND PERFORMANCE REQUIREMENTS

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### 1.1 Scope of Requirements

This section briefly summarizes the requirements that will be the subject for onward procurement.

The required solution should be procured on a full turnkey, fixed-price, basis covering all required elements including:

- (i) Application software package(s);
- (ii) All infrastructure (including network components such as firewalls, routers, switches etc.), virtual / cloud hosted environments, non-application software (e.g., system software, DBMS, middleware, certificate server, web server etc.) and other technical elements, including security framework and products, necessary to run the ATS+ and CSD at all project locations;
- (iii) A high level of consulting services to assist BOSS and participants with the business and technical aspects of managing the project and introducing the ATS+ and CSD. These services will include aspects such as:
  - a. Developing operational documents including operating rules and procedures, certificate policy, e-token management procedures and pricing policy for system usage: the Supplier will be required to provide draft versions of these documents;
  - b. Advice on changes required to existing systems in both BOSS and external participants to implement the necessary level of integration, including full and detailed technical specifications and guidance on implementing the necessary changes.
  - c. Providing the network connectivity infrastructure details to link participants, including BOSS, to the ATS+. The ATS+ should support both Swift Y-Copy, V-Shape messaging topologies and be ISO 20022 compliant.
- (iv) Any required customization and integration of the application software, including requirements analysis, specification, development of special software modules and implementation;
- (v) Full implementation services including installation, testing, documentation, training, commissioning and handover, and integration with the existing ICT environments;
- (vi) On-going (post-acceptance) support.

## 1.2 Automated Transfer System

The ATS+ will provide a comprehensive electronic interbank payment mechanism. Using the ATS+, financial institutions will be able to send a wide variety of payment instructions to each other and to BOSS.

The ATS+ will provide Real Time Gross Settlement (RTGS), Automated Clearing House (ACH) and Instant Funds Transfer (IFT) capabilities for clearing and settlement, within one integrated system, of all interbank electronic payments. It will provide a single, unified system for the processing of all payment types, irrespective of their characteristics. It will carry out the functions that in some countries have been provided by different, discrete software systems (such as RTGS and ACH packages) which have had to be provided with interfaces to achieve what the ATS+ will achieve in one integrated system.

### 1.2.1 RTGS

The ATS+ will be based on a Real Time Gross Settlement software package, which will handle the settlement of:

- (i) Transactions involving transfer of securities (both primary allocations and secondary market trades) in the CSD following the principles of DvP and STP;
- (ii) High-value and/or high urgency bank-to-bank payments;
- (iii) Net interbank positions from the ACH clearing element of the ATS+;
- (iv) Net interbank positions from card switching and clearing operations;
- (v) Purchase of currency by banks;
- (vi) (In future) other high value payments such as settlement of net interbank obligations from other clearing houses, net interbank positions from mobile payment switching and clearing operations, the local currency leg of foreign exchange transactions, etc.

### 1.2.2 ACH

In addition to the RTGS function, the ATS+ will contain clearing functionality (ACH) to handle the processing of different retail (low value) payment streams. These will include:

- (i) Direct Credit payment instructions either singly or in batches;
- (ii) Files of Direct Debit instructions;
- (iii) Files of electronic cheque records;
- (iv) Other possible streams of high-volume low-priority payments.

### 1.2.3 IFT

The IFT function will handle individual retail-level Direct Credit transfers on a 24 / 7 / 365 basis. These transfers can be initiated using any medium offered by the payer's bank (e.g., via an ATM, internet banking, mobile phone or at a bank branch) and will be executed in real time. Settlement risk will be managed using debit caps on individual banks.

### 1.2.4 Participants

Other than BOSS, the direct participants in the ATS+ will be existing licensed and regulated Commercial Banks.

- (i) Any new bank receiving a banking license from BOSS in the future will be required to go through certification to become an ATS+ participant.
- (ii) Some Credit Unions may also be direct participants, subject to their fulfilling BOSS regulatory, licensing and ATS+ certification criteria including settlement arrangements through a commercial bank, another credit union, or holding requisite accounts at BOSS.
- (iii) The Accountant General's Office will be an indirect participant for the purpose of sending electronic files of payment instructions directly from the National Treasury / Ministry of Finance financial management system.
- (iv) The Income Tax, GST and Customs and Excise Departments will be indirect participants for the purpose of receiving information on their revenue receipts.
- (v) Indirect participation may be permitted.

Proposals should contain provision of access points to cater for participants that have not met ATS+/CSD certification and onboarding requirements. Such participants should be able to post their transactions through the access points.

## 1.3 Central Securities Depository

The CSD will act as a depository for GOSS Treasury Bills, Notes and Bonds and (if BOSS decides in future to start issuing them) BOSS Bills. The primary purpose of the CSD will be to allow the maintenance of accurate records of transactions in the capital markets, and to:

- (i) Act as the Registry for recording all transactions in the capital markets;

- (ii) Hold records of all securities and their owners in book entry (dematerialized) form;
- (iii) Allow electronic clearing and settlement of securities transactions according to principles of DvP model 1 or 2 or 3;
- (iv) Carry out all necessary calculations of interest due, maturities, roll-over and so on;
- (v) Enhance the implementation of monetary policy;
- (vi) Support the development of a market in pledging/repo arrangements.

The CSD will contain a primary trading (auction) module. This will provide full automation of the auction process for securities, including functionality for receiving bids electronically, executing the auctions according to the GOSS and BOSS rules, and creating holding records for all securities according to the results of the auction.

The CSD will also contain a module (application) for settlement of securities trades following the principles of DvP (model 1, 2 or 3). For this purpose, it will be closely-coupled with the RTGS function of the ATS+ to ensure that ownership of the securities involved is not transferred until payment has been made with finality, and *vice versa*. BOSS sees the development of a secondary market in securities as an important element in the future evolution of the South Sudan economy. The CSD will therefore eventually also include a linkage to a secondary market trading module. The timing of the introduction of a full-fledged secondary trading system is not yet decided, and a decision on this will be made following discussions with market participants and consultations with the Supplier. Proposals should therefore contain full specifications of a secondary trading system that the Proposer is able to offer, with cost information.

The CSD will of course be required to be able to record (and settle via the RTGS function of the ATS+) secondary market trading transactions from the outset on a trade-matching basis.

## **1.4 Integration and Linkages**

### **1.4.1 ATS+ and CSD**

The ATS+ and CSD will be tightly integrated, both with each other and with various external systems. Most importantly, the RTGS element of the ATS+ will be fully integrated both with the ACH and IFT elements and with the CSD so as to provide the capability for (i) effecting settlement with finality of securities transactions and, (ii) supporting the provision of intraday liquidity to direct participants in the ATS+. The system will provide a true Delivery versus Payment capability for securities transactions.

### 1.4.2 Linkages with External Systems

In addition to ATS+ and CSD integration, linkages will be developed between the ATS+ and:

- i. BOSS's Core Banking System (housing the TSA other BOSS customer accounts) which will in-turn be linked to the General Ledger system commonly housed in an Enterprise Resource Planning System (ERP);
- ii. In-house Core Banking Systems operated by participants (commonly through secure file transfer protocol where sophisticated API integrations are not supported);
- iii. The Financial Management System used by Accountant General's office;
- iv. The Government Integrated Cashiering System (GICS) used by Accountant General's Department in applicable.
- v. The Tax system used by the Tax Authority;
- vi. The Customs and Excise Department's system;
- vii. Any other systemically important National systems.

The ATS+ must offer a flexible interface capability to enable other systems to be linked in future. These may include:

- i. An equity trading system;
- ii. An interbank money market system;
- iii. A foreign exchange trading system;
- iv. BOSS currency management system
- v. The National or private switch (s);
- vi. Any other future clearing systems which may be introduced.

## 1.5 Specific Functional Requirements for the ATS+

The ATS+ will provide for the submission, processing and settlement of all inter-bank payments, both large and small. There will be no defined value limit (upper or lower) for payments accepted for processing.

### 1.5.1 Objectives

The objectives of the ATS+ are to:

1. Provide efficient and cost-effective clearing and settlement capabilities for all interbank payments, with the ability to handle significant future growth in volumes of payments;
2. Achieve real-time settlement of payments between its participants in the books of BOSS to deliver irrevocability and finality of payments;
3. Provide facilities to increase the efficiency of daily liquidity management by banks through the provision of real-time settlement account information reporting and monitoring;
4. Minimize payments system risk by managing liquidity both on an individual bank basis and system-wide;
5. Improve the tools for BOSS to implement monetary policy;
6. Integrate the clearance and settlement of GOSS securities transactions to achieve Delivery versus Payment;
7. Achieve a reliable, safe, and integrated payments and settlement system to meet the needs of a developing economy, with the ability to be extended to process new payment instruments and support new payment systems as they may be developed.

As previously explained, BOSS wishes to procure a modern integrated solution which is capable of clearing and settling all types of electronic instruments in a conceptually single electronic system. The ATS+ should contain the ability to provide different processing modalities for high value/time critical payments (to be handled by the RTGS element), low value/retail payments (to be processed using the ACH element) and immediate retail-level payments (to be processed using the IFT element), but these must be integrated in such a way as to provide a single coherent user interface. Proposers should therefore describe all types of payment instruments and arrangements that their proposed solution can handle.

The ATS+ will be closely-coupled with the CSD system: (i) to ensure Delivery versus Payment (DvP) for transactions in GOSS securities; and (ii) to support the process of intraday liquidity management in the ATS+.

### **1.5.2 ACH Element – Clearing Functionality**

The ACH element of the ATS+ will handle the processing of different retail payment streams. These will include:

1. Direct credit payment instructions, either individual or batched;
2. Files of direct debit instructions;

3. Files of electronic cheque records;
4. Any other streams of high-volume low-priority payments.

Proposals must contain details of how all of the above instrument types are handled in the ACH element, whether they are submitted on an individual or batch (file) basis.

In particular proposals must describe in detail how direct debits and cheques are handled in their proposed solution, and will be expected to demonstrate this in the Proposal Clarification meetings. The system must have the capability to handle cheque images although BOSS expects that the system will process cheque data (MICR plus additional details manually entered by the teller) as well as cheque imaging and truncation.

Proposals must contain details of the clearing options provided by the ACH element (e.g., continuous or deferred netting) and how the resulting positions are settled in the RTGS element, including all options for handling a situation where one or more participants do not have sufficient liquidity to cover their net clearing obligations. At a minimum the system must have the facility for continuous checking of the debit/credit situation of each participant during a clearing session, comparing it to a previously-set balance and excluding payments which will exceed that balance.

### **1.5.3 IFT Element – Instant Funds Transfer**

BOSS has identified a potential requirement for a payment service which will operate up to 24 hours per day and facilitate a fast and widespread adoption of electronic payments, by combining certain features of the RTGS and ACH processing elements available in current ATS+ products:

- RTGS operates in real time mode with instant settlement on a gross basis but it is primarily applicable to high value and/or high priority payments and is not really suitable for lower value retail transfers.
- Conversely ACH processes retail credit payments but operates in batch mode with net settlement taking place at the end of the clearing sessions which are held at set time(s) each day. Only after all participants' net positions have been settled are the files of credit transfers forwarded to the receiving banks.

Thus, while RTGS and ACH are both serve very useful purposes, they do not provide an instant round-the-clock retail payment capability such as described above. However, by combining the instant message-passing functionality of



RTGS with the net settlement capability of ACH, it will be possible to create an **Instant Funds Transfer (IFT)** capability.

#### 1.5.4 IFT functionality

This would operate along the following lines:

1. A bank customer initiates a payment to the customer of another bank, using any available access method such as ATM, Internet banking, mobile phone or request at a bank branch.
2. The payment request is forwarded from the payer's bank's CBS (after the originating payer's account has been debited) to the ATS+ with an indicator in the payment instruction to show that it is an IFT payment (as opposed to RTGS or ACH).
3. The IFT element checks to see if the payment will breach the sending bank's debit cap (see below). If not, the transfer is effected immediately by the ATS+ sending details of the payment to the receiving bank.
4. Under the rules of the system the receiving bank will be obliged to credit the payee's account as 'cleared funds' immediately. If for whatever reason the receiving bank is not able to credit the beneficiary's account, it will immediately send a reversal instruction to the ATS+.
5. At predefined points during the day a cut-off is invoked for IFT payments and the ATS+ carries out a netting operation on all such payments processed since the last cut-off. This results in the creation of a net settlement file which is passed to the RTGS element for settlement in the normal manner. After successful execution of the net settlement, the net debit positions of the participants are initialized (reset to zero) for the next cycle.

#### 1.5.5 Debit cap

Because IFT payments will be credited to payees as good value without having first been settled between the involved banks, they will potentially pose a settlement risk. To manage this risk, BOSS will define a debit cap for each participant which will be maintained in the system. This net debit cap will be secured by suitable collateral such as pledged securities or other acceptable instruments.

The ATS+ will maintain a running net balance of each participant's outgoing and incoming IFT transfers. Every outgoing IFT transfer will be checked to see if it will cause the net debit cap to be exceeded. If the cap will be exceeded, the transfer will be rejected with an appropriate error message to the sending bank.

As noted above, each bank's net debit position will be reset to zero after every successful net settlement.

### **1.5.6 Implementation considerations**

The IFT element will need to provide the ability to:

1. Allow BOSS to set the net debit cap for each participating bank;
2. Suspend and reactivate participants as required;
3. Define any number of cut-off points during the operational day with associated netting windows, the output of which will be a net settlement file to be settled by the RTGS element (using the standard mechanisms for guarding against a participant's inability to settle a net debit position as specified earlier);
4. Receive online messages from banks and send to destination banks online on a round-the-clock basis;
5. Check each IFT transaction to see whether it will breach the sending bank's net debit cap, and allow the transaction only if the net debit cap will not be breached;
6. Continually update the running net balance of IFT payments for each participant with debits and credits;
7. Reset the net balances to zero after the results of each netting session have been settled successfully.

### **1.5.7 Impact on participants and benefits**

1. Participating banks will be able to offer IFT transfers as a new, innovative and convenient service to their customers. They will collect the details of IFT transfers from their customers through any suitable channels and convert them into the required message format for forwarding to the ATS+ from their CBS (or other infrastructure as applicable).
2. IFT transfers which do not breach the paying banks' debit caps will be sent immediately to the receiving banks which will be required under the system rules to credit the beneficiary customer accounts immediately and with good value as 'cleared funds' (in the same way as they will be required to process incoming RTGS payments). This includes the obligation on a receiving bank to send an IFT return with a valid reason code as soon as it finds that it is unable to post an incoming IFT payment to the beneficiary's account (for example account number invalid, account closed, account cannot take credit and so on). In such cases the original sending bank will have an obligation under the system rules

immediately to credit the amount of the payment back to the original customer's account.

3. The overall efficiency of the retail payment system will be improved, by reducing usage of the current manual processes.
4. Banks can innovate by providing these services through any channels they choose to adopt (e.g., ATMs, Internet banking, mobile banking) and using the technologies they choose (e.g., application software, SMS or USSD).
5. The IFT function can act as the basis for further innovations in retail payments. For example, once established, a common mobile banking platform using USSD or SMS would enable instant credit transfers to be made anywhere there is mobile phone coverage. This could be further exploited for in-store, or branchless, banking, providing basic banking services in village stores without the need for bank branches.

## **1.6 RTGS Element**

### **1.6.1 RTGS Transactions**

BOSS expects that the RTGS element of the ATS+ will handle settlement of the following:

1. High-value and/or high urgency bank-to-bank payments;
2. Net interbank positions from the ACH clearing element of the ATS+;
3. Settlement of net interbank obligations from external clearing facilities, for example settling net settlement files from domestic payment card processing operations;
4. Transactions involving purchase and sale of securities (primary and secondary) in accordance with the principles of DvP and STP.

### **1.6.2 Settlement of Securities Transactions**

The RTGS element will have a linkage to the CSD system for the settlement of securities transactions which will include in the first instance:

1. BOSS primary market operations for issuing government securities;
2. Settlement of secondary market transactions in GOSS securities.

For all such transactions, the principle of STP must be guaranteed. The operational interaction between the ATS+ and the CSD must guarantee Delivery versus Payment (DvP).

### 1.6.3 Queue Management and Processing Priorities

The RTGS element of the ATS+ will operate on the basis of multiple payment streams or queues. Proposers should describe in detail the queuing mechanisms offered by their proposed solutions (including the maximum number of queues and queue types). Characteristics should include at a minimum:

1. The system should have the capability to 'warehouse' certain types of individual transactions for execution at a forward date and time, as specified by the submitting participant.
2. Queues will have different levels of priority. Participants must be able to assign priority levels to all payments submitted.
3. Queues will generally operate on a "first in, first out" (FIFO) basis, unless specific gridlock resolution routines are invoked either automatically or by BOSS as system operator.
4. The construction and operation of the queues must enable the treasurers at the participants to be reasonably sure that the payments they submit are generally processed according to the order in which they are submitted.
5. Payment orders will be held in each queue by participant, in the order in which the participant dispatches them and according to the priority code assigned by the participant (there will be one queue for each priority level per participant). Each participant will manage only the queues for the payments that it has issued.
6. No lower priority transfers will be settled until all higher priority transfers are settled. The payment order at the top of the queue is settled when funds are available and only then is the next order in the queue considered for settlement.
7. In order to facilitate daily liquidity management, the system should offer participants the ability to change the priority of queued payments and/or position within the queue.
8. The RTGS element must be designed to avoid gridlock which could lead to systemic failure, and must contain a gridlock resolution mechanism.
9. The system must provide automatic queue management or intervention facilities to BOSS at the level of analysis, with calculated solutions being offered to BOSS operators for implementation. Such facilities should include reordering, optimization routines etc.
10. Should any gridlock resolution be used either automatically or manually by BOSS, system participants should be notified.

11. Each participant and BOSS must be able to enquire into the aggregated information about the total number and amount of that participant's transfers in the queues.
12. The originating participant must be able to cancel a payment transaction held in the queue. A payment transaction can be cancelled only if it has not already been settled.
13. Transactions with same-day value not settled by the end of the operating day will be cancelled (with advice to the participant).
14. Transactions submitted by BOSS should have higher priority.

#### **1.6.4 Collateralized Interbank Lending**

BOSS intends to use the RTGS element to monitor interbank lending in the future noting that there does not exist any interbank lending at the present time. BOSS would like to require all such loans to be made through the RTGS element via MT202 messages which can be identified as being for interbank loans, and which will contain the interest rate at which the loan is made (possibly in field 72). Proposers should describe how their system can accommodate this requirement.

### **1.7 Liquidity Management and Interface to BOSS General Ledger**

Liquidity management is a critical element in the efficient and effective operation of an ATS+ or RTGS system, and therefore BOSS intends to give significant weight to these proposed facilities and functions in the proposal evaluation process. Proposers should therefore be careful to explain their liquidity management features and options (including any option for interfacing to an external Collateral Management System) in detail in their proposals, and also provide a clear demonstration and discussion of these features in the Proposal Clarification meetings.

### **1.8 Deposit Account**

Each commercial bank has a deposit account maintained in the books of BOSS, which is used for settlement of obligations to BOSS and other banks. Deposit accounts also hold the Compulsory Reserve Requirements (CRR).

#### **1.8.1 Deposit Account Operations**

During the operating day the ATS+ will hold the record of account for each deposit account, while also being interfaced to BOSS's General Ledger (GL) such that transactions on the deposit accounts in the ATS+ are mirrored in the GL and vice versa. At end of day transactions that have taken place in the ATS+

during the day will be communicated to the GL to enable a full reconciliation to be made between the ATS+ and GL, thus ensuring full integrity of BOSS's accounting processes.

Proposers should provide detailed recommendations as to how the linkage between the ATS+ and the GL will be implemented to ensure that the GL is kept synchronized with transactions processed in the ATS+, and vice versa.

### **1.8.2 CRR**

As described in 2.3.2, the balance in a bank's deposit account is not allowed to go into overdraft. However, BOSS will allow the CRR to be used to cover settlement obligations if needed, currently only for obligations arising from cheque clearing operations. BOSS intends to permit CRRs to be used to support RTGS payments (including settlement of obligations arising from the ACH element of the ATS+), provided that the CRR balance is restored no later than End of Day. Proposals should describe how this will be implemented.

### **1.8.3 Sources of Liquidity**

Sources of liquidity in the deposit account may be:

1. Correspondent accounts;
2. Incoming transfers;
3. Borrowing from other banks;
4. CRRs;
5. Provision of intraday liquidity by BOSS against suitable collateral (e.g., securities held in the CSD).

### **1.8.4 Intraday Credit**

In the normal course, legislation would prohibit Central Banks' from offering intraday credit (or any credit other than as Lender of Last Resort) to banks. However, as this situation might change in future, proposals should describe any additional facilities available in the offered ATS+ to support the provision of intraday liquidity facilities to participants.

### **1.8.5 Earmarking Funds in Deposit Accounts**

Either BOSS or the participant itself should be able to reserve or earmark a quantity of the funds in a participant's deposit account (plus CRRs) up to a given level to cater for known demands (for example for purchase of currency from BOSS or settlement of ACH net positions). In such cases the earmarked funds may not be used for the purposes of settling any other transactions.

It should be possible to set an earmark for a forward date. For example, banks generally order currency the day before they require delivery, in which case the earmark for currency purchase should be warehoused for execution the day after it is made.

### **1.8.6 Credit Limits**

The system should offer the ability to set credit and debit limits, both bilateral and multilateral, to limit participants' exposures.

### **1.8.7 Visibility of Incoming Payments**

The system should have the option of permitting participants to see incoming payments (both RTGS and ACH Direct Debits) prior to these being credited to their deposit accounts. This option must be controlled by BOSS.

### **1.8.8 Liquidity Problems**

The system should notify BOSS and affected participants about any liquidity problems. The system should be able to monitor and provide notification of conditions including:

1. The possibility of an account balance below the minimum level;
2. A payment order larger than a specified amount;
3. Details of payments rejected due to insufficient funds.

Proposals should contain details of all such conditions which can be monitored.

## **1.9 Currency Issuing and Return**

As the Central Bank, BOSS has responsibility for the circulation of local currency, both notes and coins. At present all procedures associated with the issuing and receipts of currency are manual. Proposers are requested to describe how their systems would support the processes of currency withdrawal and return to provide a risk-free solution with minimum manual operation. A suggested procedure for currency withdrawal is as follows:

1. The participant bank which wishes to withdraw currency sends a withdrawal request in the form of a SWIFT MT202 message crediting BOSS, giving details of the denominations it wishes to withdraw in field 72, to its head office. The value date of the payment message will generally be the following day. This alerts the ATS+ that a cash transaction has been requested.

2. On receipt of the MT202, the ATS+ advises BOSS's Currency Department immediately, either by a pop-up message or by email.
3. The ATS+ warehouses the MT202 for execution at start of day the following day. Flexibility could be built into the system to cater for alternative delivery dates, for example 'emergency' currency issues on the same day (probably with a charge), or a date further into the future than tomorrow.
4. The following day the transaction is settled in the ATS+ at system start of day and, once settlement has occurred, the ATS+ sends a message to the Currency Department authorizing the release of the currency. A message is also sent to the ordering bank confirming settlement.
5. Also, at the start of the following day the Currency Department assembles the currency order for collection.
6. Once the payment has been settled and the order has been assembled, the ordering bank can collect the currency. If the payment has not been settled by the due time, the Currency Department will refuse to deliver the cash.
7. Finally, the ATS+ generates the necessary journal entries for BOSS's GL.

## **1.10 Management of Government Transactions**

### **1.10.1 Accountant General's Office – Receipts and Payments**

BOSS is concerned to ensure that Government payments can be switched from the current arrangements (cheques and manual paper-based instructions delivered to BOSS and each individual bank where the Government has an account) to one where all payments are made through the ATS+.

The timing of this will depend on when the TSA at BOSS is fully-implemented. Once the TSA is established, BOSS will consult with the AG's Office and the ATS+ Supplier on how Government payments can be switched to be made through the ATS+.

Proposers should provide details of how their solutions can automate the Government payments process in order to achieve, so far as possible, automatic payment and receipt, clearing and settlement of all Government payments.



### **1.10.2 Income Tax and GST**

Proposals should describe how managing tax receipt best practices can be facilitated and improved using the proposed ATS+.

### **1.10.3 Customs and Excise Department**

Proposals should describe how managing Customs and Excise receipt best practices can be facilitated and improved using the proposed ATS+.

## **1.11 Interface to Participant Bank Systems**

### **1.11.1 Messages**

The system must support SWIFT standard MTnnn formats' for RTGS and CSD messages. For ACH messages the system must support formats for ACH data and X.9 formats for truncated cheque records.

Proposers should provide information on all message standards that their systems follow, particularly their forward development plans in this area as well as compliance with ISO 20022 message formatting.

### **1.11.2 Manually-Entered Payments**

Single RTGS payments must be able to be entered manually from either a single dedicated PC for smaller institutions or any number of authorized workstations and users on the LAN in the case of larger participants.

### **1.11.3 STP**

It must be possible for participants to submit either single or multiple RTGS payments directly to the ATS+ from their internal CBSs.

For batches of payments such as Direct Credits and cheque records to be cleared in the ACH element, it must be possible for these to be assembled and uploaded to the system under the control of an authorized user. The same should apply to files downloaded from the system, such as files of cleared payments from the ACH element, cheque dishonor notifications, end of day reports and so on.

### **1.11.4 Integration with Participants' Core Banking Systems**

The system must provide standard linkages to enable straight-through processing (STP) for all payment types. This will require participants to carry out the necessary systems work to integrate their core banking systems with the ATS+. The selected Supplier of the ATS+ will be required to work with the

commercial banks to assist them to do this, to provide full interface specifications for implementation of STP at no charge, and to provide any necessary technical support and advice during the implementation process, again at no charge. Proposals should also contain full details of any software modules that are available to facilitate STP at participants' sites, to which their internal Core Banking Systems can be interfaced.

### **1.12 Monitoring and Reporting**

The system must provide a comprehensive and flexible set of monitoring, reporting and analysis capabilities, to enable each participant to have maximum information about, and control over, its participation in the system (analogous to the way users of online banking services can control all activities of their various accounts themselves via an internet web browser connection).

The monitoring, reporting and analysis capabilities should cover:

1. Intraday monitoring reports;
2. End of day reports;
3. Reports on historical system activity.
4. Reports on Payments System Statistics, volumes, types of payments, etc.

In the case of participants other than BOSS, these facilities must be strictly confined to their own participation in the system, whereas BOSS must be able to get information on the operation of the entire system.

The intraday monitoring facilities should be available on demand, while the end of day reports should be provided automatically to specified users within both BOSS and participating banks.

The historical analysis facility should provide a wide range of capabilities, including both a flexible database enquiry capability and also the ability to download extracts from the historical database for further analysis using tools such as statistical analysis or spreadsheet packages. This facility will be available to non-BOSS participants only via requests to BOSS Payment Systems Department.

The historical database should be held separate from the online (current day's) database, for reasons of both performance and security. BOSS will agree with the Supplier how many months' historical data should be held online (as opposed to offline archiving) during system implementation.

### **1.12.1 Intraday On-line Information for BOSS**

The system should provide at least the following information to BOSS operational users, authorized departments and auditors:

1. Single message and input batch file status;
2. Total daily, weekly, monthly, and annual activity (for each originating participant and receiving participant);
3. Possible duplicate message reports;
4. All account balance information, by participant;
5. Enquiry into payment instructions in the system (allowing for different selection criteria);
6. Alerts when queues build up beyond defined limits in terms either of number of payments or of amounts to be paid. Such limits will be defined by BOSS;
7. Summarized security reports regarding unsuccessful log-on attempts, invalid messages (with reason for invalidity);
8. A graphical display showing the status of payment queues, and indicating areas of gridlock etc. Such a display would be incorporated into the 'dashboard' described in 4.8.2.

### **1.12.2 Intraday On-line Information for Participants**

The following will apply to participants:

1. Participants will receive an immediate message for all payments made or received by them;
2. In case of a service disruption at a participant, BOSS must be able as soon as possible to notify all other participants of the situation and of any extension of the normal operating day that may result from this situation;
3. A participant must be able to trace any individual transaction or batch through all stages of processing;
4. Participants should be able to enquire on the status of their payment queues throughout the day as well as the running balance of their respective deposit accounts. The system should provide at least the following information to participants:
  - a. Enquiry access to the participant's own deposit account balance;

- b. Enquiry into payment instructions in the system (allowing for different selection criteria);
- c. Notification of the status of payment instructions sent/received and debited/credited, whether successfully processed or rejected;
- d. Validation error description;
- e. Enquiry access to their own outgoing queues;
- f. Enquiry into calculated intraday daily average balances;
- g. Transaction activity and charges;
- h. In addition to the online flow of information during the processing day, each participant will be provided with an electronic file containing sufficiently detailed information to support automated account reconciliation. This information can be sent throughout the day in response to requests received from the participant;
- i. A full, daily statement will be sent to each participant as part of end-of-day processing.

### **1.13 Account Maintenance and Monitoring**

#### **1.13.1 Account Opening and Closure**

BOSS will have the authority to open, close or suspend any account held within the system. If an account is suspended, the system should enable BOSS to permit or disallow outgoing and/or incoming payments to be received.

#### **1.13.2 Maintenance of Intra-day Credit Limits**

BOSS will have the authority to determine and operate all arrangements relating to the provision of intra-day credit.

#### **1.13.3 Account Monitoring by BOSS**

For system management purposes, BOSS will have access to all deposit account information. The system should have comprehensive facilities to display online information on the overall liquidity situation of the system, both continuously throughout the operating day and as a snapshot for the current period and compared to previous period (hours, days, and weeks), via a dashboard capability.

### **1.13.4 Deposit Account Histories**

The system should maintain on-line records of banks' deposit account transactions for the current month and archives of the historical data for the period as provided for by the law (seven years). The system should provide a range of graphical capabilities to assist activity and liquidity monitoring; for example, a graphical display representing the number of queued payments per bank and the current performance indicators.

## **1.14 Linkages to External Systems**

The ATS+ will have a number of linkages to external systems, including:

### **1.14.1 BOSS's Enterprise Business Solution**

This is a critical linkage which will be used for a variety of purposes. The ATS+ must work as a mirror system to the GL component of the CBS to facilitate transactions on the deposit accounts throughout the day.

The interface to the CBS will also be used for submission of payments from the Accounts Payable module to the ATS+.

Proposers are requested to provide details of any ATS+ implementations involving an interface to CBS and ease of migrating the interface to an ESB or other integration gateways in the future. Proposals should also cover the mechanism used for interchanging information between the two systems.

### **1.14.2 The CSD**

The CSD should be a fully integrated part of the ATS+. Proposers to describe such inbuilt integration.

### **1.14.3 Participants' in-house core banking systems**

The objective of this linkage is to support a high level of automation of participants' payments transactions based on the principles of Straight-Through Processing (STP), and to enable participants to start offering new electronic interbank payment services to their customers.

### **1.14.4 Government Systems**

Once implemented these may include:

1. The AG's Office's financial management system (FMIS)

2. The Tax and GST departments' system; and
3. The Customs and Excise Department's ASYCUDA system.

The system should be able to accommodate all connectivity options and the level of integration. Specific details of the required functionality and interfaces will be developed by the Supplier in consultation with BOSS and the relevant GOSS agencies.

Proposers should include in their proposals comprehensive descriptions, with recommendations as applicable, of how their solution can be interfaced to the GOSS systems. These should include detailed descriptions of previous successful implementations in other countries.

#### **1.14.5 Possible future systems**

The ATS+ software package must be sufficiently flexible to be able to accommodate future linkages to other potential systems, such as card switches, an interbank money market and/or forex trading system., currency system among other.

### **1.15 Participants and Volumes**

#### **1.15.1 Participants**

1. All commercial banks and possibly BOSS will be direct participants in the system and will hold deposit accounts in the ATS+;
2. BOSS intends to consider admitting Credit Unions (SACCOS, MFI's) in the future as full participants in the ATS+, subject to regulatory conditions being satisfied.
3. Ministries, Departments and Agencies of Government such as the Ministry of Finance, The AG's office, the Income Tax Department, the National Revenue Authority and the Customs and Excise Department may also be participants.
4. BOSS may wish to allow indirect participation. For this purpose, it will maintain a directory of participants. Proposals should contain details of all the options for indirect participation, such as;
  - a. Where the indirect participant is directly connected for sending and receiving payments but uses a direct participant as its settlement bank;
  - b. Where the indirect participant has its own settlement account in the ATS+ but has no connection to the ATS+, sending and receiving its payments via a direct participant;

- c. Where the indirect participant has no connection with the ATS+, but all its payment business is handled by a direct participant.

### 1.15.2 Volumes and Performance

The usage volumes of current instruments are none existent considering that there are no interbank clearance and settlement at the present time. Volumes of interbank payments, particularly from GOSS, are expected, however, to increase significantly with time. The ATS+ should therefore be sized to accommodate volumes generated by similar sized ATS+ ecosystems taking into consideration the 29 licensed and regulated Banks as well as MDA's. The sizing should cater for RTGS and ACH payment transactions (plus the associated administrative, management and reporting traffic) during an eight-hour business day, with CPU utilization of any server not exceeding 50%.

Bidders are permitted to make assumptions based on broad estimation of the possible growth in transactions over the next three to five years. The system should therefore be scalable to considerably greater capacity without the need to replace any significant components. Proposals should contain benchmark data to indicate the number of transactions of different types per minute or hour that the proposed solution is able to process, on the proposed hardware configuration, showing system utilization (e.g., CPU) statistics. This information should also indicate both any constraints and available growth paths.

## 2. Specific Functional Requirements for the CSD

The primary purpose of the CSD will be to allow the maintenance of accurate records of transactions relating to GOSS (and possibly, in future, BOSS) securities in the capital markets. To this end it will contain both depository and primary market (auction) functionality.

### 2.1 Objectives

The main objectives of the CSD are the following:

1. Provide an online centralized electronic registry for all GOSS (and in future possibly other issuers', including BOSS's) securities which will meet the needs of all issues, issuers, holders, managers and other interested parties;
2. Improve the efficiency and the security of the system by operating on the basis of both Delivery versus Payment (DvP) and Straight-Through Processing (STP), through linkages with the ATS+ component;
3. Integrate the clearance and settlement of all securities transactions;
4. Support intraday liquidity management and other monetary policy operations of BOSS;
5. Support portfolio management by instrument and maturity profile;
6. Facilitate entitlement processing including redemption, interest and tax payments;
7. Facilitate the electronic processing of repurchase agreements (repos);
8. Provide online enquiry facilities to all legitimate enquirers.

The CSD will be closely-coupled with the ATS+: (i) to ensure Delivery versus Payment (DvP) for securities transactions; and (ii) to support the process of intraday liquidity management in the ATS+.

### 2.2 Functional Characteristics

The CSD should provide at least the following functions:

1. Maintain a register of all BOSS securities issued by amount, interest rate, maturity date, holder, price and other pertinent information;
2. Maintain a register by different layers of all counterparties (securities holders and dealers), detailing whether the depositor is direct or indirect, and all relevant static information such as: name, physical address, email address, telephone, tax registration number, etc. All counterparties must



be identified by codes that will enable easy searching of such information;

3. Have a settlement application tightly linked with the ATS+ component, for the settlement of primary and secondary market operations, open market operations of BOSS and intraday liquidity operations, so as to guarantee that the principles of DvP and STP are respected. This settlement application should also serve as a facility to settle interest and maturities on debt securities, and in future may be required also to settle corporate securities;
4. Incorporate a primary market capability to manage the issuance of all relevant securities;
5. Contain functionality to support portfolio management by BOSS for its own holdings, and for other participants;
6. Be capable of supporting a linkage to any future electronic inter-bank collateralized funds market trading system;
7. Be capable of supporting a linkage to any electronic trading system which may be introduced in South Sudan in future, implementing DvP and STP for settlement of trades;
8. Adhere to ISO 15022 or 20022 message formats in conformance with the minimum international standards for messages generated, as set by the BIS Guidelines;
9. Provide a single, integrated view of each dealer's position for monitoring, supervising and controlling their liquidity;
10. Generate detailed and summary reports with the capability of online viewing before printing and downloading to external applications;
11. Allow enquiries by authorized BOSS personnel.

### 2.3 Delivery versus Payment (DvP)

The system must support DvP Model 1 and preferably Models 2 and 3 also, as defined in the BIS document: *"Delivery versus Payment in Securities and Settlement systems"*<sup>16</sup>.

The CSD must provide an automated and efficient interface to the ATS+ component to enable changes of securities ownership in the Depository to be simultaneously matched with exchanges of value in the ATS+ component for true DvP processing. Transfer of ownership cannot occur until a confirmed payment message is received from the ATS+ component.

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<sup>16</sup> See <http://www.bis.org/publ/cpss06.pdf>

## 2.4 Functionality

BOSS wishes to ensure that the CSD component provides a leading edge, world-class capability to the Government and financial markets of South Sudan. The CSD must therefore contain a comprehensive set of functionalities to support the objectives and characteristics described above. Proposers must provide full details of the functionality offered by their proposed solutions.

### 2.4.1 Roles

The CSD should provide support for different, and multiple, roles by participants such as:

- Registrar;
- Broker;
- Issuer;
- Administrator;
- Regulator/overseer;
- Beneficial Owner;
- Holder.

It should additionally support different types of User/Trader classifications including, for the traders:

- Traders acting as beneficial owners;
- Traders acting on behalf of other beneficial owners;
- The activities carried on by traders should be recorded in the “type of trade” record. Each trader should be able to act both ways.
- Ability to handle fixed rate bonds and the re-pricing of variable rate bonds according to the algorithms determined by the issuing authorities.

### 2.4.2 Entitlement Processing

The CSD must automatically generate entitlement proceeds to be credited to registered instrument holders on the due date. The interest proceeds must be reconciled against the original issue portfolio and passed to the ATS+ for payment to the relevant beneficiary by settling on the account of the intermediary or the beneficiary’s commercial bank.

### **2.4.3 Tax**

The entitlement processing module must calculate tax due on entitlement payments (ensuring that no tax is deducted from holders marked as tax exempt), deduct the tax payable prior to payment to the beneficiary, and transfer information on all taxes deducted to the ATS+ with: (i) an RTGS payment to the Government account for the total tax collected; and (ii) details of individual deductions including amount, taxpayer ID, etc., to be transmitted to the Tax Administration for updating their taxpayer system.

The Government may change the rate of tax at any time, and so this must be easily updatable in the system by authorized BOSS staff.

### **2.4.4 Management of Issues**

It must be possible for the same bond issue to be re-opened for further subscription until some pre-determined maximum size is reached. For such re-opened issues, the CSD must update all relevant issue identification and summary data, including the addition of the numbered units of value in the additional re-opened issue.

Both fixed rate bonds and the re-pricing of variable rate bonds must be handled according to the algorithms determined by the issuing authorities.

### **2.4.5 Portfolio Management**

The CSD will contain a comprehensive range of standard portfolio monitoring and management functionality to allow BOSS to define and manage its own portfolio of financial assets. These will include:

- A valuation (mark-to-market) function;
- Calculation of daily accrued interest (gains and losses on the portfolio) with automatic generation of journal entries for posting to BOSS's GL.

### **2.4.6 Repurchase Agreements (Repos)**

The CSD must have the ability to handle repos (including the ability to handle multiple securities in a single repo) by recording the change of ownership and the associated obligation to sell-back in the agreed number of days. A repo cannot reach maturity later than any of its underlying assets.

## **2.5 Beneficial Owner and Holder Information**

The Beneficial Owner record is the record of ownership of securities. It may be a single person or organization, or a number of people and/or organizations.

A Holder is an individual person or organization. All holders must be identified by a unique identifier (UID).

The system must be able to record ownership registration records against the lowest level of issue component recorded.

### **2.5.1 Beneficial Owner Record**

The CSD must hold a record of each beneficial owner of a security. The Beneficial Owner record must include:

1. A unique identifier referencing the Beneficial Owner. In the case of a single holder this could be the UID. Where there is more than one holder, the Beneficial Owner record must identify the Holders (see "Holder Record") below;
2. An indication if the Beneficial Owner is a single Holder or a group of Holders;
3. Who may request a change to Beneficial Owner record or authorize the trading of securities, or if such activity requires all holders to agree;
4. Similarly, payments instructions for entitlement payments.

### **2.5.2 Holder Record**

Holders must be unique within the system. The Holder record will maintain basic information for the purposes of ensuring any holder is only recorded once in the system. Dealers will be expected to keep this information up to date, but may hold additional information in their own systems linked to the Holder record in the CSD. The holder record must include:

1. A UID that is unique in the system, and has the ability to be validated using an appropriate validation routine;
2. Normal contact fields such as first name, last name, address, telephone number and e-mail address, each of which is searchable;
3. Domicile information;
4. An indication of whether the holder is tax-exempt.

Holder records should be marked as inactive if there has been no movement in their account for 12 months. The holder can be reactivated but only by explicit action on the part of BOSS's Financial Markets Department.

### **2.5.3 Beneficial Owner and Holder Functionality**

The following functionality must be available:

1. A Dealer must be able to view only those Beneficial Owners and Holders for whom that Dealer is the Custodian;
2. Any securities movement instruction must include the Beneficial Owner and Holder references;
3. The system must be capable of generating messages to the Beneficial Owner and/or Holder when any securities movement has occurred;
4. Authorized BOSS officers must be able to see all holdings in the CSD by Beneficial Owner and Holder;
5. There must be a facility to check for possible duplicates to reduce the possibility of one person having more than one Holder record;
6. The system must have the ability to issue statements as required;
7. The system must have the ability to compute and deduct tax obligations as specified in 6.4.3 based on parameters set on individual UIDs.

### **2.5.4 Holder Access to Information**

The CSD must have the ability to produce statements on demand at a Holder's request. The system must have the ability to charge Holders for this function.

### **2.5.5 Internet Access to Information**

The CSD should offer a facility to make holder records available over the Internet. This would allow Holders and Beneficial Owners to visit a secure website where, once authenticated, they will be able to see all their holdings independently of the Dealers. Proposals should contain details of how this can be achieved in conjunction with their proposed solutions.

## **2.6 Primary Auction Module**

The CSD must contain an integrated module to manage the primary market in GOSS securities.

### 2.6.1 Functionality

The primary auction module should include the following functionality:

1. Acceptance of bids submitted electronically, by issue, from participants at remote locations (over secure telecommunications connections), with posting of these bids within the system until the formally advised time for bid closure is reached. Bids received must not be visible to any party either within or outside BOSS until the cut-off time for bids is reached.
2. The ability for BOSS to set prudential limits on the total bid value to be accepted from any particular bidder in respect of any particular issue.
3. The ability to include or exclude any listed available bidder so that certain issues can be restricted in the primary market to a subset of all registered primary market traders.
4. The ability to calculate the acceptance and rejection of bids according to the highest prices offered and the total value and composition of the issue to be allocated.
5. The ability automatically to prepare, produce and transmit appropriate acceptance and rejection notices, payment advices and receipts.
6. The ability to maintain a register of all allocations for historical reporting. This may be retained in the CSD as a record against the full issue held at summary and portfolio level.
7. Automatic cut-off of bid acceptance at the time published for bid input cut-off as notified in the issue by BOSS. This time limit for bid input must be able to be set at screen level by BOSS for each issue.
8. The ability to accommodate both multiple price and single price auctions.
9. On Bid price input cut-off, the primary market trading system must calculate the allocation of the issue to the bidders according to the prices offered, to bidder financial limits, and any percentage of the issue which may be reserved for special sale to other select institutions at other than full market rates.
10. The ability to print certificates for bidders who request them.
11. The system must provide reports to both BOSS and bidders at the completion of the issue auction in respect of:
  - a. Advice to dealers of all issue components issued by amount, unit value, price, etc. This should include confirmation of summary information regarding the type and nature of the issue, interest

payable, maturity date and the range of unit reference/identity numbers allocated to the new issue components for that dealer.

- b. Advice to BOSS of the composition and rates of the issue allocation by buyer, amount, rate, etc. This must include calculation and display of the yield curve for the issue.

## **2.6.2 Participants**

The participants in the primary auction in the first instance will be the commercial banks.

## **2.7 Secondary Market (Trading) Module**

BOSS wishes to encourage the development of the market in public sector securities and therefore intends to introduce an automated secondary market trading system.

In order to assist in the planning process, proposals should contain full information including cost on a suitable secondary market trading system. This must be capable of being fully integrated with the CSD, particularly for the purpose of achieving DvP for all trades.

## **2.8 Linkages to External Systems**

The CSD must be fully-integrated with the ATS+.

Proposals must also contain recommendations as to how the necessary financial information relating to securities will be exchanged between the CSD and the CBS/ERP.

### 3. Table of Required Features

For each item in the following tables, a description must be given in the "Response" column of how the proposed product/s satisfies the requirement: for example, "yes" or "complies" is not sufficient, nor is reference to a standard manual. Where alternative options exist to satisfy any individual requirement, these should be clearly identified, together with any recommendations as to the preferred option. Should a proposed product be incapable of satisfying any individual requirement, this should be clearly stated, together with proposals for mitigating such shortfall (e.g., development of custom software module).

**Priority Key:**

M – Mandatory Requirement

D – No mandatory requirement, Desirable



Required Feature	Priority	Response
<b>3.0 General</b> <b>3.1 Principles</b> All software components should be based on best international practice and be consistent with the following principles:	--	
1. Have a high level of usability with a common “look and feel” achieved through a standard graphical user interface (GUI);	M	
2. Comply with industry standard conventions and interfaces which allow the system to be interfaced easily with other systems, and/or expanded by either functional module or capacity;	M	
3. Offer low cost and easily implemented technical connections for external participant sites on either a remote terminal or host-to-host basis for all system traffic;	M	
4. Enable BOSS system operators easily to add, remove or suspend participants;	M	
5. As appropriate, permit optimum use to be made of any equipment that is already installed in both BOSS and participant organizations;	D	
6. Provide full audit trails for all activities within the system, including system accesses and messages sent and received;	M	
7. Have high levels of trustworthiness with particular emphasis on data integrity and security, particularly preventing unauthorized access and assuring 100% data accuracy;	M	
8. Have very high levels of service availability which will be assured through demonstration, rigorous testing and a robust Service Level Agreement;	M	
9. Offer automation of daily processing with full exception and summary control reports for both BOSS and participants;	M	
10. Provide comprehensive user, event and problem management and monitoring tools;	M	

Required Feature	Priority	Response
11. Be configured such as to process the expected workload in terms of throughput capacity and response times, making due allowance for peaks in transaction volumes and general growth in transaction volumes.	M	
<b>3.2 Operational</b> As applicable, the system should:	--	
1. Allow for easy customization through on-screen parameters to accommodate new, changed or modified rules that will govern various functions e.g. create a new message type, create a new instrument type, etc.;	VM	
2. Allow authorized personnel to change the business process flow through the setting of parameters in process control tables;	M	
3. Provide online access to and reporting of historical records – covering a period of at least seven (7) years plus the current year – without compromising response times;	M	
4. Provide online, context sensitive help for all user and operator functions;	M	
5. Enable automation of daily processing including initiating links to directly interfaced systems with appropriate security procedures and exception and summary control reports;	M	
6. Be operationally resilient, with high levels of local recovery supported by an appropriately configured DR installation and a smooth cut-over between the primary and DR sites, and back again to the primary site when service is recovered;	M	
7. Supports multiple currencies.	D	
<b>3.3 Integrity</b> The system should provide:	--	
1. Financial integrity checks to ensure that 'value in = value out' at all times and that the ATS+ component can be reconciled to a zero-net balance at any time;	M	

Required Feature	Priority	Response
2. Message processing integrity checks to ensure that the total nominal value of all instruments in all recorded portfolios is matched, and reconciles with the control totals for all issues registered;	M	
3. Processing integrity checks to ensure that [the number of financial items 'in' equals the number of financial items 'out'] at all times and that each processing site can be reconciled to a 'no missing items' position at any time;	M	
4. Consistent and regular reporting for financial processing, security logs, calculated settlement positions, gross and net settlement values, batch and file numbers processed etc. which can be reported both locally and centrally to prove system integrity and complete system-wide reconciliation;	M	
5. Local record of all messages sent, pending and received each day;	M	
6. Encryption of all data flows;	M	
7. End-of-day audit and activity reporting;	M	
8. Local recovery capabilities;	M	
9. Security of messages with a high level of message authentication, data integrity, and confidentiality;	M	
10. A very high level of availability and reliability;	M	
11. Guarantee of no data loss either in transmission or after a failure; and	M	
12. System management functions must be fully integrated. For example, setting any parameter that may be applicable to all system components must be set only once. All system information moving between components must be transparent to system operations.	M	
<b>3.4 Transaction and File Processing Controls</b>	--	
1. Incoming transactions and files must be checked for at least the following: 1.1. That the type and format are correct; 1.2. That the source is authorized;	M	

Required Feature	Priority	Response
1.3. That the identification, date and, for files, control totals are correct; 1.4. That a message is not a duplicate.		
2. Outgoing transactions and files must be checked at least as follows: 2.1. It must be assured that no transaction or file will be left undelivered; 2.2. If delivery is not possible, alerts must be available; 2.3. It must not be possible to deliver twice, except under recovery procedures when both parties are made aware of the possibility that the message may be a duplicate.	M	
<b>3.5 Validation Controls</b> Validation controls must include:	--	
1. Validation of batches and individual payment instructions, of all types; 2. Validation of mandatory and optionally other fields within funds settlement instructions; 3. Authentication of message sender; 4. Confirmation of message traffic and validity to the sender; 5. Flexible and tailorable validation routines.  Proposals should describe validation options offered by their proposed solution and the extent to which these can be tailored by BOSS, and also discuss the processing overhead that validation controls may impose on the system in a high-volume environment.	M	
<b>3.6 Message Integrity and Accountability</b> The controls must include the following:	--	
1. Each registration of change instruction or payment instruction, and files containing such instructions, must be uniquely identified with its physical source, user identification and date and time of entry into the system;	M	
2. Each instruction must be executed according to the single or multiple levels of authorization (two-eyes,	M	

Required Feature	Priority	Response
four-eyes or six-eyes) prescribed by the administrator and/or the participants;		
3. A message sequence numbering scheme and control procedure must be implemented to ensure there is no loss, duplication or unauthorized insertion of messages;	M	
4. Non-repudiation is required for all participant messages;	M	
5. Application-level message acknowledgment is required as a mandatory component of all message handling;	M	
6. Where an operator has the ability to make any change to any message (e.g., value messages or messages that contain instructions for making payments or transferring securities) or critical system parameters, the system must allow for multiple authorizations;	M	
7. It must be possible for operational management automatically to trace any transaction from the point of entry into the system up to the delivery to the final destination with complete information about the time the message was received and delivered, and the processing which occurred at each step at each location handling the transaction/file. Information for this purpose must be kept on line for a period which can be defined by BOSS, after which time the data should be archived to permanent off-line storage;	M	
8. It should be possible to suspend processing of elements of the system (for example selected payment queues or streams) in the course of the business day and resume operation without the loss or duplication of messages;	D	
9. In the case of failure leading to unavailability of the primary site, the system will be switched over to run at the DR (alternate) site. BOSS's requirements in this respect are as follows:		
9.1. No data loss should occur in other words the Recovery Point Objective is zero data loss.	M	

Required Feature	Priority	Response
Should any loss occur, this must be unambiguously identified to both the participant concerned and the system operator immediately on resumption of service on the DR site;		
9.2. The Recovery Time Objective is that the failover to DR operation should be completed within a target time of ten minutes, and no more than 30 minutes, with minimum user intervention.	M	
<b>3.7 System Operation</b>	--	
1. To minimize the opportunity for human error to cause service disruptions, operation of the software should be automated as far as possible, with controls to assure successful completion of each job as a condition for initiation of subsequent job sequences;	D	
2. The software should offer a consistent graphical user interface (GUI) to enable BOSS to control its overall operation. This should provide a comprehensive range of user-definable parameters which should be fully described in proposals;	M	
3. To assist in the execution of monetary policy, the system should be able to show on-line to BOSS summaries of the overall liquidity situation of the system, both stand-alone and compared to previous situations (hours, days, and weeks);	M	
4. Participants must be able at all times to see their liquidity situation, flow of payments (received, settled and queued) and trends (in the form of graphs, histograms, etc.) both for the current day and historically;	M	
5. Technical management requirements must be kept to a minimum. It is especially important that all error messages be simply displayed and easy for operational staff to understand and react to;	M	
6. The system should require minimum (preferably no) intervention by IT technical staff for normal operations including start-up, daily operations and shut-down;	M	

Required Feature	Priority	Response
<p>7. The system should provide a range of alarms and alerts with options for:</p> <p>7.1. Different alert levels (e.g., critical, serious, information-only);</p> <p>7.2. The nature of alarms available (e.g., flashing message at an operator workstation, audible warning, email message, SMS message to a mobile phone);</p> <p>7.3. BOSS to specify the recipients of alerts (e.g., operations staff in BOSS Payment Systems Department, participant bank end-users, BOSS IT operations, BOSS Accounting Department, BOSS Monetary Operations Department, etc.);</p>	M	
<p>8. Certification measures will take place using the test environment that is to be established as part of this procurement. They should be carried out using a standard set of test messages that will be developed as part of the overall system implementation and should include:</p> <p>8.1. Testing and certifying new software releases/upgrades prior to use;</p> <p>8.2. Testing and certifying new system participants in respect of hardware, software, communications and procedures.</p>	M	

Required Feature	Priority	Response
<p><b>3.8 Enquiry and Reporting</b></p> <p>The ATS+ will provide comprehensive reporting and on-line enquiry facilities allowing all participants to make a broad range of requests for the purpose of monitoring their positions, tuning system functionality, managing intra-day liquidity, queue management of payment requests and so on.</p>	M	
<p><b>3.8.1 Reports</b></p> <p>1. Proposals must contain a full list of <u>all</u> standard enquiries and reports available in the proposed software package(s), for all types of users. They must also include a representative sample (listings and screen-shots) of enquiries and reports sufficient for BOSS to gain a good understanding of what is provided. These samples should demonstrate comprehensibility, usability and comprehensiveness of the information contained in enquiry screens and reports.</p>	M	
<p>2. Proposals should contain details of: (i) how BOSS staff can tailor/customize standard reports if desired; (ii) proposed report-writing tools for the development of further (non-standard or <i>ad hoc</i>) reports; and (iii) proposed training/knowledge transfer to ensure that BOSS staff are able to undertake future report development.</p>	M	



Required Feature	Priority	Response
<b>3.8.2 Dashboard</b> BOSS wishes to implement a consolidated display capability ('dashboard') to support system operations staff in managing the overall ATS+. This will use a large monitor positioned centrally in the operations area to provide BOSS staff with a view of the overall status of all critical and important elements of the system. Proposers must describe how their system supports this concept, with recommendations as to the data items that would be displayed.	M	
<b>3.9 Security</b>	--	
<b>3.9.1 Monitoring and Measurement</b> 1. All accesses to the system, transactions handled by the system and changes affecting access controls, system parameters, directories and similar control and integrity functions should be logged and reported to BOSS operators, and be accessible for authorized retrieval and analysis, on a daily basis. It must not be possible to alter in any way the contents of any audit log; 2. The following information must be provided: a. Control totals for a day's processing in a location; b. Management information relating to all system users (from both BOSS and other participants) and their access privileges; c. Invalid access attempts at workstations; d. The number, frequency and source of invalid transactions and files; e. Any unusual behavior patterns by an authorized user, indicating increased risk and/or attempted fraud.	M	
<b>3.9.2 Access Controls</b>	--	
1. Access to all parts of the system must be restricted to authorized personnel or systems by means of strong system, device and user authentication. User authentication capabilities should include two-factor authentication, and the Supplier will be required to	M	

Required Feature	Priority	Response
supply all necessary hardware, software and services (including advice on implementation) to achieve this;		
2. The system should support a hierarchical user structure, such that at each participant (and also in BOSS's operational area) there can be a local administrator with certain additional rights (e.g. for password reset);	M	
3. Separation of duties must be strictly enforceable for all sensitive programs and functions;	M	
4. All accesses must be logged to include system or physical device identification, user identification and the time of each access in order to provide a clear audit trail for review in case of accidental or deliberate violation of security controls;	M	
5. The system start-of-day procedures should include the initiation of directly interfaced systems and confirmation of the authenticity of each interfaced system;	M	
6. Users should not be able to see menu options for those functions they are not authorized to use;	M	
7. The system must enforce sound password management. That includes: enforcing the use of 'strong' passwords; forced expiry of passwords at parameter-defined intervals; disablement of accounts after a parameter-defined number of unsuccessful log-in attempts; and not permitting the re-use of a parameter-defined number of previously used passwords;	M	
8. Application workstations must be logged off automatically if idle for more than a specified – but variable – period, to prevent access by unauthorized third parties if left unattended.	M	
<b>3.9.3 Fail-Safe Operation</b>	--	
1. The system must provide the highest level of availability. The system should therefore be configured such as to be able to recover from any single failure automatically, and with no interruption in service;	M	

Required Feature	Priority	Response
2. In any case, the system must be able to complete processing of all transactions for the day within a maximum of two hours after normal close of day.	M	
<b>3.10 Processing Requirements</b>	--	
1. BOSS requires the highest level of performance, availability and reliability from the system. The system will therefore be implemented to run at two sites (primary and DR). A further copy of the system for test and training will also be run at the primary site.	M	
2. High Availability will be required for the primary site including network infrastructure, servers, and storage. The server and storage specifications for the primary site should be the same for the servers and storage at the DR site.	M	
3. BOSS will regularly copy all data to back-up media daily, weekly and monthly and store it at an off-site location. The Supplier will be required to work with BOSS's IT Department to specify appropriate back-up procedures and train BOSS staff in these procedures.	M	
<b>3.11 Operational Resilience</b>	--	
1. All system elements must be designed and configured to provide a very high level of reliability, resilience and availability, as further described in 4.13. The system at the primary processing site should keep the system at the DR site updated (and vice versa as necessary) so that, in the event of a failure at one site, the other site is able to continue processing with minimal manual intervention.	M	
2. Proposers should address these requirements carefully, and make appropriate recommendations for achieving the highest level of performance and reliability. Proposals should contain a detailed specification of all proposed hardware, software and any other necessary components to achieve the required levels of reliability and switchover times. They should also include a discussion of worst-case scenarios requiring a complete switch-over from the primary to alternate site.	M	

Required Feature	Priority	Response
<b>3.12 Test Environment</b> A test environment should be available at all times to allow for testing of planned system changes, or for participant interface testing. Proposers should describe how they will accomplish the following main tasks:	--	
1. Management of changes involving hardware, system software and application software, covering all participants; 2. Operation of the above system components; 3. Testing of parameter-level changes made by the system operator. It is expected that the initial system implementation will follow this process.	M	
<b>3.13 Operational Requirements</b>	--	
<b>3.13.1 Daily Processing Cycle</b>	M	
1. BOSS will publish a schedule giving the daily processing cycle for the system. The timing and duration of different processing windows will be agreed between BOSS and participants.		
2. The system operating hours will be flexible and capable of adjustment to cater for abnormal circumstances.		
3. For certain classes of payments (queues) it must be possible to suspend daily operation and restart on another day while retaining the same value date.		

Required Feature	Priority	Response
<b>3.13.2 Start/End of Day</b> With the exception of security provisions, any procedures related to the start/end of day activity should normally be handled automatically, but be capable of being run manually in case of disruptions to the normal daily schedule.	M	
<b>3.13.3 Performance Monitoring</b> The performance of all components of the system will be monitored on an on-going basis, and relevant exception reports will be produced with suitable highlights whenever system performance falls outside accepted performance standards. Proposals should include details of Proposers' recommendations covering at least the following:	M	
1. A performance monitoring system, including an event monitor integrated with the dashboard described in 4.8.2, which depicts critical operational and security events including the operational status of all authorized users and attempts to access the system by unauthorized users;	M	
2. Introduction of a reporting system which can be used to monitor the quality of the service and provide appropriate tailored information to all participants.	M	
3. Proposers should describe how the different measures should be monitored and, where appropriate, also give an indication of the levels of performance they typically expect to achieve. The measures should include at least the following: <ul style="list-style-type: none"> <li>(i) System Availability</li> </ul> The System Availability measure should capture the percentage of normal business hours in which each system component is delivering service to participants regardless of the source of any service disruption e.g. hardware, software, network, power, human error. <ul style="list-style-type: none"> <li>(ii) Message throughput</li> </ul> Message throughput should be monitored and reported against at least the following parameters:	M	

Required Feature	Priority	Response
4. The number and value of RTGS messages per day by payment type, stream (queue) and participant and in total; 5. The number and value of RTGS messages processed during the peak hour; 6. Average time in queue of RTGS messages by queue, by participant and in total per day; 7. The volumes and values of ACH payments by instrument type and clearing session; 8. The number of messages and transactions processed through the CSD.		
9. Proposals should describe all available tools to collect and maintain statistics for both BOSS and participants.	M	

Required Feature	Priority	Response
<b>3.13.4 Operational Rules and Procedures</b> The Supplier will be expected to advise and assist BOSS in developing and implementing rules and procedures (for both BOSS and participants as applicable) for operation of the system. This must include provision of suitable sample documents which BOSS can adapt, including at the least: (i) system rules; (ii) participant agreement; (iii) BOSS certificate policy; (iv) e-token management procedures; (v) operating procedures for both BOSS and participants; and (vi) pricing policy.	M	

Required Feature	Priority	Response
<p><b>3.14 Billing Information</b></p> <p>The system must include a flexible billing mechanism which will automatically calculate fees for each participant, and which should have the following functionality:</p> <ol style="list-style-type: none"> <li>1. Enable fixed periodic charges (e.g., annual or monthly membership fees) to be levied;</li> <li>2. Calculate usage fees based on message or instruction type;</li> <li>3. Allow for a grace period where no usage fees (or reduced usage fees) are levied at system launch to get user participation and buy-in;</li> <li>4. Apply value modifiers by message during time bands during the day;</li> <li>5. Apply value modifiers for different payment streams (queues);</li> <li>6. Apply value modifiers for volumes of transactions;</li> <li>7. Allow for different charges according to participant;</li> <li>8. Apply charges directly, with no manual intervention other than authorizing the transaction;</li> <li>9. Automatically create invoices to be sent to all direct participants as well as those without deposit accounts at BOSS, such as indirect participants.</li> <li>10. the billing and invoicing interval/cycle should be flexible and able to be set by BOSS.</li> </ol> <p>Proposers should fully explain the options and capabilities of the charging and billing functionality, including the automatic generation of relevant payment messages. The Supplier will be expected to advise and assist BOSS in developing and implementing a suitable pricing and billing policy.</p>	M	
<p><b>3.15 Hardware, Software and Communications</b></p> <p>The ATS+ will run on dedicated hardware to be installed both in a primary site at BOSS's head office and in a Standby location alternate (DR) site, as follows:</p>	--	



Required Feature	Priority	Response
1. BOSS expects that the equipment at the primary site will have comprehensive resilience features to ensure that, in normal operation, a failure of any single server (for example) will have no effect on the operation of the system.	M	
2. The live system will be installed on servers at both sites. The equipment at each site should be sufficient to run the entire system should the other site become unavailable. Proposals must contain recommendations as to how both sites will be equipped and coupled to enable the highest level of availability.	M	
3. Proposals should also contain details of how suitable failover procedures will be developed and tested to allow for situations of multiple failures or complete unavailability of one site.	M	
4. An additional test and training system will be installed at the primary site. This will be used as required for testing of changes to the software, training of staff, etc.	M	
5. Proposals must give full details of all hardware, cloud environments, system software, middleware, information security and any other products and equipment necessary to run the system. All items must be compatible with BOSS's existing ICT infrastructure. The Supplier will be required to supply, commission and test all hardware, cloud environment, system software, middleware, information security and any other products and equipment necessary to run the system, and to provide contractual assurances that the agreed total configuration (hardware, networking and software) will support the system in processing expected workloads for at least five years after acceptance.	M	
<b>3.15.1 Hardware</b>	--	
1. Proposers must specify full details of all infrastructure elements recommended to operate their proposed solution at both sites. These should include details of any physical and virtual hardware that may need to be installed by participating organizations.	M	

Required Feature	Priority	Response
2. All components of the system will be required to operate without a need for upgrade for a period of at least five years from operational acceptance and the hardware should be sized accordingly. Hardware recommendations should include all necessary related services and should cover (as applicable):		
<p>3. Servers</p> <p>Proposals must specify in detail all recommended physical and virtual server components, covering application, data and any other required servers (e.g. web or certificate servers and their associated software), together with any items necessary for connection to BOSS's existing ICT environment. These should include, as well as application and database servers, any others such as certificate servers, web servers, etc.</p> <p>Servers will run under the Microsoft Windows Server operating system. Proposers should specify the options, versions/variants, etc. that are required.</p>	M	
<p>4. Data Storage and back-up</p> <p>Proposals must specify in detail the recommended data storage capacity and equipment for both sites (primary and DR). This should be supported by sizing information on the capacity required to hold all copies of the system database(s) and any other supporting data, based on the current and forecast volumes given in these Technical Requirements. Proposals should allow for the last five plus the current year's data to be held in the on-line database and up to ten years' data on a secondary database. Proposals should contain worked calculations justifying the proposed data storage capacity and equipment.</p> <p>These requirements will be finalized during contract discussions with the Supplier.</p>	M	
5. Proposals must also include equipment and software for data back-up (e.g., disc-to-tape or disc-to-disc-to-tape), and draft procedures for taking and maintaining back-ups. The Supplier will work with BOSS's IT Department to implement and practice the back-up regime.	M	

Required Feature	Priority	Response
<p>6. Rack Space</p> <p>Proposals should include all information necessary for BOSS to understand the impact of the new hardware on the data center, including physical information on the servers and other units such as dimensions, rack space requirements, power consumption and so on.</p>	M	
<p>7. Other Hardware</p> <p>Proposals should include details of any other hardware required to implement their solution, for example networking and security components such as routers, firewalls, network access control, and other security appliances, etc.</p>	M	
<p>8. BOSS expects that it will not be necessary for participants to install any equipment on their own premises specifically for the ATS+ or CSD (noting that the planned inter-participant network(s) and associated termination equipment are outside the scope of this RFP). If participants will be required to install any ATS+/CSD-related equipment this must be detailed in the proposal.</p>	M	
<p>9. Network Access</p> <p>Both systems must carry out rigorous authorization, authentication, and accounting of all external users accessing any part of the system.</p>	M	
<p>10. BOSS expects two-factor authentication to be used for user management. It is assumed that this will be based on the use of hardware tokens, each containing a unique digital certificate identifying its owner. Proposals should contain full details of the proposed approach, including the hardware and software required and the way in which the proposed ATS+/CSD solution implements two-factor authentication.</p>	M	
<p>11. Supplier will be expected to provide draft copies of: (i) a Certificate Policy for BOSS; and (ii) Procedures for managing the generation, distribution, use, renewal and revocation of e-token.</p>	M	

Required Feature	Priority	Response
<b>3.15.2 Software</b>	--	
<p>1. Participant Software</p> <p>In addition to software required at BOSS, proposers must specify in detail all software products (required and optional) that may need to be installed by each participating organization, including requirements for Straight-Through Processing (STP).</p>	M	
<p>2. System Software and Middleware</p> <p>In addition to server operating system(s), proposals should clearly specify in detail any other system software and middleware items that will be required to run the ATS+ and CSD.</p>	M	
<p>3. DBMS</p> <p>Microsoft SQL Server is the required database management system. Proposals must include the requisite number of licenses for this.</p> <p>Proposers should provide a description of any special facilities of SQL Server which are utilized by their application, for example automatic database replication to facilitate high availability.</p>	M	
<p>4. Report Writer</p> <p>Proposals should describe standard easy-to-use database report generation tools that can be used for the rapid development of reports to satisfy needs that might arise on an <i>ad hoc</i> basis. Proposals should also indicate whether these tools are provided as an integral part of the proposed application software package(s) or are offered as a separately-chargeable item.</p>	M	
<b>3.15.3 Communications</b>	M	
<p>1. Proposers should specify in detail all communications requirements for their solutions, covering both BOSS (both processing locations) and all participating organizations, including performance, security, reliability, backup capability, bandwidth and any other relevant considerations.</p>		
<p>2. Proposers should also comment on BOSS's current intentions regarding choice of network solutions and</p>	M	

Required Feature	Priority	Response
in particular describe how their proposed systems support communications in a mixed network (SWIFT and/or one or more private networks).		

<p><b>4. Automated Transfer System</b></p> <p>The ATS+ will provide for the submission, processing and settlement of all inter-bank payments, both large and small. There will be no defined value limit (upper or lower) for payments accepted for processing.</p>	--	
<p><b>4.1. Objectives</b></p> <p>The objectives of the ATS+ are to:</p> <ol style="list-style-type: none"> <li>1. Provide efficient and cost-effective clearing and settlement capabilities for all interbank payments, with the ability to handle significant future growth in volumes of payments;</li> <li>2. Achieve real-time settlement of payments between its participants in the books of BOSS to deliver irrevocability and finality of payments;</li> <li>3. Provide facilities to increase the efficiency of daily liquidity management by banks through the provision of real-time settlement account information reporting and monitoring;</li> <li>4. Minimize payments system risk by managing liquidity both on an individual bank basis and system-wide;</li> <li>5. Improve the tools for BOSS to implement monetary policy;</li> <li>6. Integrate the clearance and settlement of GOSS securities transactions to achieve Delivery versus Payment;</li> <li>7. Achieve a reliable, safe, and integrated payments and settlement system to meet the needs of a developing economy, with the ability to be extended to process new payment instruments and support new payment systems as they may be developed.</li> </ol>	M	
<p><b>4.2.</b> The ATS+ should contain the ability to provide different processing modalities for high value/time critical payments (to be handled by the RTGS element), low value/retail payments</p>	M	

(to be processed using the ACH element) and immediate retail-level payments (to be processed using the IFT element), but these must be integrated in such a way as to provide a single coherent user interface. Proposers should therefore describe all types of payment instruments and arrangements that their proposed solution can handle.		
4.3. The ATS+ must be fully integrated with the CSD system: (i) to ensure Delivery versus Payment (DvP) for transactions in GOSS securities; and (ii) to support the process of intraday liquidity management in the ATS+.	M	
<b>4.4. ACH Element – Clearing Functionality</b> The ACH element of the ATS+ will handle the processing of different retail payment streams. These will include:	--	
1. Direct credit payment instructions, either individual or batched and entered into the system via a direct entry screen or using file upload, STP mechanisms. Both same-value date and future credits should be supported. Direct Credit Transfers types should include: <ul style="list-style-type: none"> <li>• Direct Credit Transfer using ISO20022 pacs.008 message type,</li> <li>• Direct Credit Transfer request for cancelation using ISO2002 camt.056 message type</li> <li>• Direct Credit Transfer request for return using ISO20022 pacs.004 message type</li> </ul>	M	
2. Files of direct debit instructions should enable all types of fixed or variable value regular payments to be processed. Regular direct debit files should be entered using file import or STP messaging methods. The following Direct Debits message types should be supported: <ul style="list-style-type: none"> <li>• Direct Debit collection using ISO20022 pacs.003 message type</li> <li>• Direct Debit reversal using ISO20022 pacs.007 message type</li> <li>• Direct Debit recall using ISO20022 camt.056 message type</li> </ul>	M	

<ul style="list-style-type: none"> <li>• Direct Debit request for return using ISO20022 pacs.004 message type</li> <li>• Direct Debit refusal using ISO20022 pacs.002 message type</li> </ul>		
3. Files of electronic cheque records to support payments such as payroll transactions and other such as dividend payments, tax refunds etc;	M	
4. Any other streams of high-volume low-priority payments.	M	
<p>5. Cheque Truncation System (Registration, Verification, File Generation, etc.)</p> <p>The system should provide for the following categories of clearing: MICR clearing, non-MICR clearing, Inter Bank clearing (Magnetic media-based clearing system), high value clearing, national clearing, Cheque Truncation/Image-based Clearing, Outstation clearing or any other clearing as per RBI norms as well as the following categories:</p> <ul style="list-style-type: none"> <li>• Inward clearing</li> <li>• Outward clearing – as well as provide for data entry for next working day</li> <li>• Clearing returns – Provide for generation of outward debit note and processing of inward debit note.</li> </ul> <p>5. The system should provide for more than one clearing zone. Customers may be credited on a predefined working day, (mostly on the next day from the date of deposit). Provide for online posting, as well as batch posting with measures for double-checking of batches posted to ensure correctness</p> <p>6. Give daily status of net amount “due to” or “due by” for each participant</p> <p>7. Provide for capture of cheque image by participants centrally at the Clearing house for purposes of enabling capacity for cheque truncation where participants do not have inhouse capabilities</p> <p>8. Support identification and sorting of intra-bank and inter-bank cheques and support clearing of cheques locally for purposes of business continuity in the event of disruption / disaster.</p>	M	



9. Support generation of list of instruments bank wise (for inter-bank) and branch wise (for intra-bank) for each clearing		
10. Proposals must contain details of how all of the above instrument types are handled in the ACH element, whether they are submitted on an individual or batch (file) basis.	M	
11. In particular proposals must describe in detail how direct debits and cheques are handled in their proposed solution, and will be expected to demonstrate this in the Proposal Clarification meetings. The system must have the capability to handle cheque images although BOSS expects that the system will initially process only cheque data (MICR plus additional details manually entered by the teller). A policy decision for cheque imaging and truncation will be considered at a later date.	M	
12. Provide clearing options provided by the ACH element (e.g., continuous or deferred netting) and how the resulting positions are settled in the RTGS element, including all options for handling a situation where one or more participants do not have sufficient liquidity to cover their net clearing obligations. At a minimum the system must have the facility for continuous checking of the debit/credit situation of each participant during a clearing session, comparing it to a previously-set balance and excluding payments which will exceed that balance.	M	

<p><b>4.5 IFT Element – Instant Funds Transfer</b></p> <p>BOSS has identified a potential requirement for a payment service which will operate up to 24 hours per day and facilitate a fast and widespread adoption of electronic payments, by combining certain features of the RTGS and ACH processing elements available in current ATS+ products:</p> <ul style="list-style-type: none"><li>▪ RTGS operates in real time mode with instant settlement on a gross basis but it is primarily applicable to high value and/or high priority payments and is not really suitable for lower value retail transfers.</li><li>▪ Conversely ACH processes retail credit payments but operates in batch mode with net settlement taking place at the end of the clearing sessions which are held at set time(s) each day. Only after all participants' net positions have been settled are the files of credit transfers forwarded to the receiving banks.</li></ul> <p>Thus, while RTGS and ACH both serve very useful purposes, they do not provide an instant round-the-clock retail payment capability such as described above. However, by combining the instant message-passing functionality of RTGS with the net settlement capability of ACH, it will be possible to create an <b>Instant Funds Transfer (IFT)</b> capability.</p>	D	
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<p><b>4.6 IFT functionality</b></p> <p>This would operate along the following lines:</p> <ol style="list-style-type: none"><li>1. A bank customer initiates a payment to the customer of another bank, using any available access method such as ATM, Internet banking, mobile phone or request at a bank branch.</li><li>2. The payment request is forwarded from the payer's bank's CBS (after the originating payer's account has been debited) to the ATS+ with an indicator in the payment instruction to show that it is an IFT payment (as opposed to RTGS or ACH).</li><li>3. The IFT element checks to see if the payment will breach the sending bank's debit cap (see below). If not, the transfer is effected immediately by the ATS+ sending details of the payment to the receiving bank.</li><li>4. Under the rules of the system the receiving bank will be obliged to credit the payee's account as 'cleared funds' immediately. If for whatever reason the receiving bank is not able to credit the beneficiary's account, it will immediately send a reversal instruction to the ATS+.</li><li>5. At predefined points during the day a cut-off is invoked for IFT payments and the ATS+ carries out a netting operation on all such payments processed since the last cut-off. This results in the creation of a net settlement file which is passed to the RTGS element for settlement in the normal manner. After successful execution of the net settlement, the net debit positions of the participants are initialized (reset to zero) for the next cycle.</li></ol>	D	
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<p><b>4.7 Debit cap</b></p> <p>Because IFT payments will be credited to payees as good value without having first been settled between the involved banks, they will potentially pose a settlement risk. To manage this risk, BOSS will define a debit cap for each participant which will be maintained in the system. This net debit cap will be secured by suitable collateral such as pledged securities or other acceptable instruments.</p> <p>The ATS+ will maintain a running net balance of each participant's outgoing and incoming IFT transfers. Every outgoing IFT transfer will be checked to see if it will cause the net debit cap to be exceeded. If the cap will be exceeded, the transfer will be rejected with an appropriate error message to the sending bank. As noted above, each bank's net debit position will be reset to zero after every successful net settlement.</p>	M	
<p><b>4.8 Implementation considerations</b></p> <p>The IFT element will need to provide the ability to:</p>	--	
<p>1. Allow BOSS to set the net debit cap for each participating bank;</p>	M	
<p>2. Suspend and reactivate participants as required;</p>	M	
<p>3. Define any number of cut-off points during the operational day with associated netting windows, the output of which will be a net settlement file to be settled by the RTGS element (using the standard mechanisms for guarding against a participant's inability to settle a net debit position as specified earlier);</p>	M	
<p>4. Receive online messages from banks and send to destination banks online on a round-the-clock basis;</p>	M	
<p>5. Check each IFT transaction to see whether it will breach the sending bank's net debit cap, and allow the transaction only if the net debit cap will not be breached;</p>	M	
<p>6. Continually update the running net balance of IFT payments for each participant with debits and credits;</p>	M	

7. Reset the net balances to zero after the results of each netting session have been settled successfully.	M	
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<b>4.9 Impact on participants and benefits</b>	M	
<ol style="list-style-type: none"> <li>1. Participating banks will be able to offer IFT transfers as a new, innovative and convenient service to their customers. They will collect the details of IFT transfers from their customers through any suitable channels and convert them into the required message format for forwarding to the ATS+ from their CBS (or other infrastructure as applicable).</li> <li>2. IFT transfers which do not breach the paying banks' debit caps will be sent immediately to the receiving banks which will be required under the system rules to credit the beneficiary customer accounts immediately and with good value as 'cleared funds' (in the same way as they will be required to process incoming RTGS payments). This includes the obligation on a receiving bank to send an IFT return with a valid reason code as soon as it finds that it is unable to post an incoming IFT payment to the beneficiary's account (for example account number invalid, account closed, account cannot take credit and so on). In such cases the original sending bank will have an obligation under the system rules immediately to credit the amount of the payment back to the original customer's account.</li> <li>3. The overall efficiency of the retail payment system will be improved, by reducing usage of the current manual processes.</li> <li>4. Banks can innovate by providing these services through any channels the choose to adopt (e.g., ATMs, Internet banking, mobile banking) and using the technologies they choose (e.g. application software, SMS or USSD).</li> <li>5. The IFT function can act as the basis for further innovations in retail payments. For example, once established, a common mobile banking platform using USSD or SMS would enable instant credit transfers to be made anywhere there is mobile phone coverage. This could be further exploited for in-store, or branchless, banking, providing basic banking services in village stores without the need for bank branches.</li> </ol>		

<p><b>4.10 RTGS Element</b></p> <p><b>4.10.1 RTGS Transactions</b></p> <p>BOSS expects that the RTGS element of the ATS+ will handle settlement of the following:</p> <ol style="list-style-type: none"> <li>1. High-value and/or high urgency bank-to-bank payments;</li> <li>2. Net interbank positions from the ACH clearing element of the ATS+;</li> <li>3. Settlement of net interbank obligations from external clearing facilities, for example settling net settlement files from domestic payment card processing operations;</li> <li>4. Transactions involving purchase and sale of securities (primary and secondary) in accordance with the principles of DvP and STP.</li> </ol>	M	
<p><b>4.10.2 Settlement of Securities Transactions</b></p> <p>The RTGS element will have a linkage to the CSD system for the settlement of securities transactions which will include in the first instance:</p> <ol style="list-style-type: none"> <li>1. BOSS primary market operations for issuing government securities;</li> <li>2. Settlement of secondary market transactions in GOSS securities.</li> </ol> <p>For all such transactions, the principle of STP must be guaranteed. The operational interaction between the ATS+ and the CSD must guarantee Delivery versus Payment (DvP).</p>	M	
<p><b>4.10.3 Queue Management and Processing Priorities</b></p> <p>The RTGS element of the ATS+ will operate on the basis of multiple payment streams or queues. Proposers should describe in detail the queuing mechanisms offered by their proposed solutions (including the maximum number of queues and queue types). Characteristics should include at a minimum:</p>	M	
<ol style="list-style-type: none"> <li>1. The system should have the capability to 'warehouse' certain types of individual transactions for execution at a forward date and time, as specified by the submitting participant.</li> </ol>	M	

2. Queues will have different levels of priority. Participants must be able to assign priority levels to all payments submitted.	M	
3. Queues will generally operate on a “first in, first out” (FIFO) basis, unless specific gridlock resolution routines are invoked either automatically or by BOSS as system operator.	M	
4. The construction and operation of the queues must enable the treasurers at the participants to be reasonably sure that the payments they submit are generally processed according to the order in which they are submitted.	M	
5. Payment orders will be held in each queue by participant, in the order in which the participant dispatches them and according to the priority code assigned by the participant (there will be one queue for each priority level per participant). Each participant will manage only the queues for the payments that it has issued.	M	
6. No lower priority transfers will be settled until all higher priority transfers are settled. The payment order at the top of the queue is settled when funds are available and only then is the next order in the queue considered for settlement.	M	
7. In order to facilitate daily liquidity management, the system should offer participants the ability to change the priority of queued payments and/or position within the queue.	M	
8. The RTGS element must be designed to avoid gridlock which could lead to systemic failure, and must contain a gridlock resolution mechanism.	M	
9. The system must provide automatic queue management or intervention facilities to BOSS at the level of analysis, with calculated solutions being offered to BOSS operators for implementation. Such facilities should include reordering, optimization routines etc.	M	
10. Should any gridlock resolution be used either automatically or manually by BOSS, system participants should be notified.	M	



11. Each participant and BOSS must be able to enquire into the aggregated information about the total number and amount of that participant's transfers in the queues.	M	
12. The originating participant must be able to cancel a payment transaction held in the queue. A payment transaction can be cancelled only if it has not already been settled.	M	
13. Transactions with same-day value not settled by the end of the operating day will be cancelled (with advice to the participant).	M	
<b>4.10.4 Collateralized Interbank Lending</b>	--	
BOSS intends to use the RTGS element to monitor interbank lending. At present banks do not always inform BOSS when they carry out these activities. BOSS would like to require all such loans to be made through the RTGS element via MT202 messages which can be identified as being for interbank loans, and which will contain the interest rate at which the loan is made (possibly in field 72). Proposers should describe how their system can accommodate this requirement.	D	

<p><b>4.11 Liquidity Management and Interface to BOSS's General Ledger</b></p> <p>Liquidity management is a critical element in the efficient and effective operation of an ATS+ or RTGS system, and therefore BOSS intends to give significant weight to these proposed facilities and functions in the proposal evaluation process. Proposers should therefore be careful to explain their liquidity management features and options (including any option for interfacing to an external Collateral Management System) in detail in their proposals, and also provide a clear demonstration and discussion of these features in the Proposal Clarification meetings.</p>	M	
<p><b>4.11.1 Deposit Account</b></p> <p>As described in 2.1.1, each commercial bank has a deposit account maintained in the books of BOSS, which is used for settlement of obligations to BOSS and other banks. Deposit accounts also hold the Compulsory Reserve Requirements (CRR).</p>	--	
<p>1. Deposit Account</p> <p>During the operating day the ATS+ will hold the record of account for each deposit account, while also being interfaced to BOSS's General Ledger (GL) such that transactions on the deposit accounts in the ATS+ are mirrored in the GL and vice versa. At end of day transactions that have taken place in the ATS+ during the day will be communicated to the GL to enable a full reconciliation to be made between the ATS+ and GL, thus ensuring full integrity of BOSS's accounting processes.</p> <p>Proposers should provide detailed recommendations as to how the linkage between the ATS+ and the GL will be implemented to ensure that the GL is kept synchronized with transactions processed in the ATS+, and vice versa.</p>	M	
<p>2. CRR</p> <p>The balance in a bank's deposit account is not allowed to go into overdraft. However, BOSS does allow the CRR to be used to cover settlement obligations if needed, currently only for obligations arising from</p>	M	

cheque clearing operations. BOSS intends to permit CRRs to be used to support RTGS payments (including settlement of obligations arising from the ACH element of the ATS+), provided that the CRR balance is restored no later than End of Day. Proposals should describe how this will be implemented.		
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<p><b>4.11.2 Sources of Liquidity</b></p> <p>Sources of liquidity in the deposit account may be:</p> <ol style="list-style-type: none"> <li>1. Correspondent accounts;</li> <li>2. Incoming transfers;</li> <li>3. Borrowing from other banks;</li> <li>4. CRRs;</li> <li>5. (In future, if permitted by BOSS) provision of intraday liquidity by BOSS against suitable collateral (e.g., securities held in the CSD).</li> </ol>	--	
<p><b>4.11.3 Intraday Credit</b></p> <p>Current legislation prohibits BOSS from offering intraday credit (or any credit other than as Lender of Last Resort) to banks. However, as this situation might change in future, proposals should describe any additional facilities available in the offered ATS+ to support the provision of intraday liquidity facilities to participants.</p>	M	
<p><b>4.11.4 Earmarking Funds in Deposit Accounts</b></p> <p>Either BOSS or the participant itself should be able to reserve or earmark a quantity of the funds in a participant's deposit account (plus CRRs) up to a given level to cater for known demands (for example for purchase of SSP currency from BOSS or settlement of ACH net positions). In such cases the earmarked funds may not be used for the purposes of settling any other transactions.</p> <p>It should be possible to set an earmark for a forward date. For example, banks generally order currency the day before they require delivery, in which case the earmark for currency purchase should be warehoused for execution the day after it is made.</p>	D	
<p><b>4.11.5 Credit Limits</b></p> <p>The system should offer the ability to set credit and debit limits, both bilateral and multilateral, to limit participants' exposures.</p>	M	

<p><b>4.11.6 Visibility of Incoming Payments</b></p> <p>The system should have the option of permitting participants to see incoming payments (both RTGS and ACH Direct Debits) prior to these being credited to their deposit accounts. This option must be controlled by BOSS.</p>	D	
<p><b>4.11.7 Liquidity Problems</b></p> <p>The system should notify BOSS and affected participants about any liquidity problems. The system should be able to monitor and provide notification of conditions including:</p> <ol style="list-style-type: none"> <li>1. The possibility of an account balance below the minimum level;</li> <li>2. A payment order larger than a specified amount;</li> <li>3. Details of payments rejected due to insufficient funds.</li> </ol> <p>Proposals should contain details of all such conditions which can be monitored.</p>	M	

<p><b>4.12 Currency Issuing and Return</b></p> <p>As the central bank, BOSS has responsibility for the circulation of South Sudan Pounds (SSP), both notes and coins. At present all procedures associated with the issuing and receipts of currency are manual. Proposers are requested to describe how their systems would support the processes of currency withdrawal and return to provide a risk-free solution with minimum manual operation. A suggested procedure for currency withdrawal is as follows:</p> <ol style="list-style-type: none"> <li>1. The participant bank which wishes to withdraw currency sends a withdrawal request in the form of a SWIFT MT202 message crediting BOSS, giving details of the denominations it wishes to withdraw in field 72, to its head office. The value date of the payment message will generally be the following day. This alerts the ATS+ that a cash transaction has been requested.</li> <li>2. On receipt of the MT202, the ATS+ advises BOSS's Currency Department immediately, either by a pop-up message or by email.</li> <li>3. The ATS+ warehouses the MT202 for execution at start of day the following day. Flexibility could be built into the system to cater for alternative delivery dates, for example 'emergency' currency issues on the same day (probably with a charge), or a date further into the future than tomorrow.</li> <li>4. The following day the transaction is settled in the ATS+ at system start of day and, once settlement has occurred, the ATS+ sends a message to the Currency Department authorizing the release of the currency. A message is also sent to the ordering bank confirming settlement.</li> <li>5. Also, at the start of the following day the Currency Department assembles the currency order for collection.</li> <li>6. Once the payment has been settled and the order has been assembled, the ordering bank can collect the currency. If the payment has not been settled by</li> </ol>	M	
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the due time, the Currency Department will refuse to deliver the cash.		
7. Finally, the ATS+ generates the necessary journal entries for BOSS's GL.		

<b>4.13 Management of Government Transactions</b> <b>4.13.1 Accountant General's Office – Receipts and Payments</b> Proposers should provide details of how their solutions can automate the Government payments process in order to achieve, so far as possible, automatic payment and receipt, clearing and settlement of all Government payments.	M	
<b>4.13.2 Income Tax and GST</b> Proposers should provide details of how their solutions can automate the Government tax receipt process in order to achieve, so far as possible, automatic payment and receipt, clearing and settlement of all Government taxes receipts.	M	
<b>4.13.3 Customs and Excise Department</b> The current arrangements for managing Customs receipts are described in 2.6.2. Proposals should describe how best practice can be facilitated and improved using the proposed ATS+.	M	
<b>4.14 Interface to Participant Bank Systems</b>	--	
<b>4.14.1 Messages</b> The system must support SWIFT standard MTnnn formats' for RTGS and CSD messages and comply with ISO 20022 message format requirements. For ACH messages the system must support formats for ACH data and X.9 formats for truncated cheque records.  Proposers should provide information on all message standards that their systems follow, particularly their forward development plans in this area.	M	
<b>4.14.2 Manually-Entered Payments</b> Single RTGS payments must be able to be entered manually from either a single dedicated PC for smaller institutions or any number of authorized workstations and users on the LAN in the case of larger participants.	M	



<p><b>4.14.3 STP</b></p> <p>It must be possible for participants to submit either single or multiple RTGS payments directly to the ATS+ from their internal CBSs’.</p> <p>For batches of payments such as Direct Credits and cheque records to be cleared in the ACH element, it must be possible for these to be assembled and uploaded to the system under the control of an authorized user. The same should apply to files downloaded from the system, such as files of cleared payments from the ACH element, cheque dishonor notifications, end of day reports and so on.</p>	M	
<p><b>4.14.4 Integration with Participants’ Core Banking Systems</b></p> <p>The system must provide standard linkages to enable straight-through processing (STP) for all payment types. This will require participants to carry out the necessary systems work to integrate their core banking systems with the ATS+. The selected Supplier of the ATS+ will be required to work with the commercial banks to assist them to do this, to provide full interface specifications for implementation of STP at no charge, and to provide any necessary technical support and advice during the implementation process, again at no charge. Proposals should also contain full details of any software modules that are available to facilitate STP at participants’ sites, to which their internal Core Banking Systems can be interfaced.</p>	M	

<p><b>4.15 Monitoring and Reporting</b></p> <p>4.15.1 The system must provide a comprehensive and flexible set of monitoring, reporting and analysis capabilities, to enable each participant to have maximum information about, and control over, its participation in the system (analogous to the way users of online banking services can control all activities of their various accounts themselves via an internet web browser connection).</p> <p>4.15.2 The monitoring, reporting and analysis capabilities should cover:</p> <ol style="list-style-type: none"> <li>1. Intraday monitoring reports;</li> <li>2. End of day reports;</li> <li>3. Reports on historical system activity.</li> <li>4. Reports on Payments System Statistics, volumes, types of payments, etc.</li> </ol>	M	
<p><b>4.15.3</b> In the case of participants other than BOSS, these facilities must be strictly confined to their own participation in the system, whereas BOSS must be able to get information on the operation of the entire system.</p>	M	
<p>4.15.4 The intraday monitoring facilities should be available on demand, while the end of day reports should be provided automatically to specified users within both BOSS and participating banks.</p>	M	
<p>4.15.5 The historical analysis facility should provide a wide range of capabilities, including both a flexible database enquiry capability and also the ability to download extracts from the historical database for further analysis using tools such as statistical analysis or spreadsheet packages. This facility will be available to non-BOSS participants only via requests to BOSS Payment Systems Department.</p>	M	
<p>4.15.6 The historical database should be held separate from the online (current day's) database, for reasons of both performance and security. BOSS will agree with the Supplier how many months' historical data should be held online (as</p>	D	

opposed to offline archiving) during system implementation.		
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<p><b>4.15.7 Intraday On-line Information for BOSS</b></p> <p>The system should provide at least the following information to BOSS operational users, authorized departments and auditors:</p> <ol style="list-style-type: none"> <li>1. Single message and input batch file status;</li> <li>2. Total daily, weekly, monthly, and annual activity (for each originating participant and receiving participant);</li> <li>3. Possible duplicate message reports;</li> <li>4. All account balance information, by participant;</li> <li>5. Enquiry into payment instructions in the system (allowing for different selection criteria);</li> <li>6. Alerts when queues build up beyond defined limits in terms either of number of payments or of amounts to be paid. Such limits will be defined by BOSS;</li> <li>7. Summarized security reports regarding unsuccessful log-on attempts, invalid messages (with reason for invalidity);</li> <li>8. A graphical display showing the status of payment queues, and indicating areas of gridlock etc. Such a display would be incorporated into a 'dashboard'.</li> </ol>	M	
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<p><b>4.15.8 Intraday On-line Information for Participants</b></p> <p>The following will apply to participants:</p> <ol style="list-style-type: none"> <li>1. Participants will receive an immediate message for all payments made or received by them;</li> <li>2. In case of a service disruption at a participant, BOSS must be able as soon as possible to notify all other participants of the situation and of any extension of the normal operating day that may result from this situation;</li> <li>3. A participant must be able to trace any individual transaction or batch through all stages of processing;</li> <li>4. Participants should be able to enquire on the status of their payment queues throughout the day as well as the running balance of their respective deposit accounts. The system should provide at least the following information to participants: <ol style="list-style-type: none"> <li>a. Enquiry access to the participant's own deposit account balance;</li> <li>b. Enquiry into payment instructions in the system (allowing for different selection criteria);</li> <li>c. Notification of the status of payment instructions sent/received and debited/credited, whether successfully processed or rejected;</li> <li>d. Validation error description;</li> <li>e. Enquiry access to their own outgoing queues;</li> <li>f. Enquiry into calculated intraday daily average balances;</li> <li>g. Transaction activity and charges;</li> <li>h. In addition to the online flow of information during the processing day, each participant will be provided with an electronic file containing sufficiently detailed information to support automated account reconciliation. This information can be sent throughout the day in response to requests received from the participant;</li> </ol> </li> </ol>	M	
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i. A full, daily statement will be sent to each participant as part of end-of-day processing.		
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<b>4.16 Account Maintenance and Monitoring</b>	--	
<b>4.16.1 Account Opening and Closure</b> BOSS will have the authority to open, close or suspend any account held within the system. If an account is suspended, the system should enable BOSS to permit or disallow outgoing and/or incoming payments to be received.	M	
<b>4.16.2 Maintenance of Intra-day Credit Limits</b> BOSS will have the authority to determine and operate all arrangements relating to the provision of intra-day credit.	M	
<b>4.16.3 Account Monitoring by BOSS</b> For system management purposes, BOSS will have access to all deposit account information. The system should have comprehensive facilities to display online information on the overall liquidity situation of the system, both continuously throughout the operating day and as a snapshot for the current period and compared to previous period (hours, days, and weeks), via the dashboard capability described in 4.8.2.	M	
<b>4.16.4 Deposit Account Histories</b> The system should maintain on-line records of banks' deposit account transactions for the current month and archives of the historical data for the period as provided for by the law (seven years). The system should provide a range of graphical capabilities to assist activity and liquidity monitoring; for example, a graphical display representing the number of queued payments per bank and the current performance indicators.	M	
<b>4.17 Linkages to External Systems</b> The ATS+ will have a number of linkages to external systems, including:	--	

<p><b>4.17.1 BOSS's Enterprise Business Solution</b></p> <p>This is a critical linkage which will be used for a variety of purposes. The ATS+ must work as a mirror system to the GL component of the CBS / ERP described in 2.7.1, to facilitate transactions on the deposit accounts throughout the day.</p> <p>The interface to the CBS / ERP will also be used for submission of payments from the Accounts Payable module to the ATS+.</p> <p>Proposers are requested to provide details of any ATS+ implementations involving an interface to the CBS / ERP financial management system, in particular the mechanism used for interchanging information between the two systems.</p>	M	
<p><b>4.17.2 Participants' in-house core banking systems</b></p> <p>The objective of this linkage is to support a high level of automation of participants' payments transactions based on the principles of Straight-Through Processing (STP), and to enable participants to start offering new electronic interbank payment services to their customers.</p>	M	
<p><b>4.17.3 Government Systems</b></p> <p>These will include:</p>	--	
<p>1. The AG's Office's financial management system (FMIS);</p>	M	
<p>2. The National Revenue Authority system; and</p>	M	
<p>3. The Customs and Excise Department's ASYCUDA system.</p>	M	
<p>4. No decision has been made as yet as to whether the GOSS will be a direct or indirect participant in the system. Each alternative has its own advantages and issues that will need to be clarified. In this regard, therefore, the system should be able to accommodate all connectivity options and the level of integration will be resolved when the policy decision is made and the business model has been clarified. Specific details of the required functionality and interfaces will be developed by the Supplier in consultation with BOSS and the relevant GOSS agencies.</p>	M	
<p>4.17.4 Proposers should include in their proposals comprehensive descriptions, with</p>	M	



recommendations as applicable, of how their solution can be, and has been, interfaced to the GOSS systems. These should include detailed descriptions of previous successful implementations in other countries.		
<b>4.17.5 Possible future systems</b> The ATS+ software package must be sufficiently flexible to be able to accommodate future linkages to other potential systems, such as card switches, an interbank money market, currency management and/or forex trading system.	M	
<b>4.18 Participants and Volumes</b> <b>4.18.1 Participants</b> 1. All five commercial banks and BOSS will be direct participants in the system and will hold deposit accounts in the ATS+; 2. BOSS intends to consider admitting some future additional full participants in the ATS+, subject to conditions being satisfied. 3. The AG's office, the Income Tax Department, the National Revenue Authority and the Customs and Excise Department may also be participants.	M	
4. BOSS may wish to allow indirect participation. For this purpose, it will maintain a directory of participants. Proposals should contain details of all the options for indirect participation, such as; a. Where the indirect participant is directly connected for sending and receiving payments but uses a direct participant as its settlement bank; b. Where the indirect participant has its own settlement account in the ATS+ but has no connection to the ATS+, sending and receiving its payments via a direct participant; c. Where the indirect participant has no connection with the ATS+, but all its payment business is handled by a direct participant.	M	

<p><b>4.18.2 Volumes and Performance</b></p> <p>The usage volumes of current instruments are given in part 2. Volumes of interbank payments, particularly from GOSS, are expected, however, to increase significantly in the next few years. The ATS+ should therefore be sized to scale up for increased RTGS and ACH payment transactions (plus the associated administrative, management and reporting traffic) during an eight-hour business day, with CPU utilization of any server not exceeding 50%.</p> <p>The above figures represent a very broad estimation of the possible growth in transactions over the next three to five years as it is impossible to be precise at this point in time. The system should therefore be scalable to considerably greater capacity without the need to replace any significant components. Proposals should contain benchmark data to indicate the number of transactions of different types per minute or hour that the proposed solution is able to process, on the proposed hardware configuration, showing system utilization (e.g., CPU) statistics. This information should also indicate both any constraints and available growth paths.</p>	M	
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## 5 Central Securities Depository

The primary purpose of the CSD will be to allow the maintenance of accurate records of transactions relating to GOSS (and possibly, in future, BOSS) securities in the capital markets. To this end it will contain both depository and primary market (auction) functionality.	--	
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<p style="text-align: center;"><b>5.1 Objectives</b></p> <p>The main objectives of the CSD are the following:</p> <ol style="list-style-type: none"> <li>1. Provide an online centralized electronic registry for all GOSS (and in future possibly other issuers', including BOSS's) securities which will meet the needs of all issues, issuers, holders, managers and other interested parties;</li> <li>2. Improve the efficiency and the security of the system by operating on the basis of both Delivery versus Payment (DvP) and Straight-Through Processing (STP), through linkages with the ATS+ component;</li> <li>3. Integrate the clearance and settlement of all securities transactions;</li> <li>4. Support intraday liquidity management and other monetary policy operations of BOSS;</li> <li>5. Support portfolio management by instrument and maturity profile;</li> <li>6. Facilitate entitlement processing including redemption, interest and tax payments;</li> <li>7. Facilitate the electronic processing of repurchase agreements (repos);</li> <li>8. Provide online enquiry facilities to all legitimate enquirers.</li> </ol> <p>The CSD will be closely-coupled with the ATS+: (i) to ensure Delivery versus Payment (DvP) for securities transactions; and (ii) to support the process of intraday liquidity management in the ATS+.</p>	M	
<p style="text-align: center;"><b>5.2 Functional Characteristics</b></p> <p>The CSD should provide at least the following functions:</p>	--	
<ol style="list-style-type: none"> <li>1. Maintain a register of all BOSS securities issued by amount, interest rate, maturity date, holder, price and other pertinent information;</li> </ol>	M	
<ol style="list-style-type: none"> <li>2. Maintain a register by different layers of all counterparties (securities holders and dealers), detailing whether the depositor is direct or indirect, and all relevant static information such as: name, physical address, email address, telephone, tax registration number, etc. All counterparties must be</li> </ol>	M	

identified by codes that will enable easy searching of such information;		
3. Have a settlement application tightly linked with the ATS+ component, for the settlement of primary and secondary market operations, open market operations of BOSS and intraday liquidity operations, so as to guarantee that the principles of DvP and STP are respected. This settlement application should also serve as a facility to settle interest and maturities on debt securities, and in future may be required also to settle corporate securities;	M	
4. Incorporate a primary market capability to manage the issuance of all relevant securities;	M	
5. Contain functionality to support portfolio management by BOSS for its own holdings, and for other participants;	M	
6. Be capable of supporting a linkage to any future electronic inter-bank collateralized funds market trading system;	M	
7. Be capable of supporting a linkage to any electronic trading system which may be introduced in South Sudan in future, implementing DvP and STP for settlement of trades;	M	
8. Adhere to ISO 15022 or 20022 message formats in conformance with the minimum international standards for messages generated, as set by the BIS Guidelines;	M	
9. Provide a single, integrated view of each dealer's position for monitoring, supervising and controlling their liquidity;	M	
10. Generate detailed and summary reports with the capability of online viewing before printing and downloading to external applications;	M	
11. Allow enquiries by authorized BOSS personnel.	M	

<p style="text-align: center;"><b>5.3 Delivery versus Payment (DvP)</b></p> <p>The system must support DvP Model 1 and preferably Models 2 and 3 also, as defined in the BIS document: <i>"Delivery versus Payment in Securities and Settlement systems"</i>.</p> <p>The CSD must provide an automated and efficient interface to the ATS+ component to enable changes of securities ownership in the Depository to be simultaneously matched with exchanges of value in the ATS+ component for true DvP processing. Transfer of ownership cannot occur until a confirmed payment message is received from the ATS+ component.</p>	M	
<p style="text-align: center;"><b>5.4 Functionality</b></p> <p>BOSS wishes to ensure that the CSD component provides a leading edge, world-class capability to the Government and financial markets of South Sudan. The CSD must therefore contain a comprehensive set of functionalities to support the objectives and characteristics described above. Proposers must provide full details of the functionality offered by their proposed solutions.</p>	M	
<p style="text-align: center;"><b>5.4.1 Roles</b></p> <p>1. The CSD should provide support for different, and multiple, roles by participants such as:</p> <ul style="list-style-type: none"> <li>▪ Registrar;</li> <li>▪ Broker;</li> <li>▪ Issuer;</li> <li>▪ Administrator;</li> <li>▪ Regulator/overseer;</li> <li>▪ Beneficial Owner;</li> <li>▪ Holder.</li> </ul>	M	
<p>2. It should additionally support different types of User/Trader classifications including, for the traders:</p> <ul style="list-style-type: none"> <li>▪ Traders acting as beneficial owners;</li> <li>▪ Traders acting on behalf of other beneficial owners;</li> <li>▪ The activities carried on by traders should be recorded in the "type of trade" record. Each trader should be able to act both ways;</li> </ul>	M	

3. Ability to handle fixed rate bonds and the repricing of variable rate bonds according to the algorithms determined by the issuing authorities.		
<p><b>5.4.2 Entitlement Processing</b></p> <p>The CSD must automatically generate entitlement proceeds to be credited to registered instrument holders on the due date. The interest proceeds must be reconciled against the original issue portfolio and passed to the ATS+ for payment to the relevant beneficiary by settling on the account of the intermediary or the beneficiary's commercial bank.</p>	M	
<p><b>5.4.3 Tax</b></p> <p>The entitlement processing module must be able to calculate tax due on entitlement payments (ensuring that no tax is deducted from holders marked as tax exempt), deduct the tax payable prior to payment to the beneficiary, and transfer information on all taxes deducted to the ATS+ with: (i) an RTGS payment to the Government account for the total tax collected; and (ii) details of individual deductions including amount, taxpayer ID, etc., to be transmitted to the Tax Administration for updating their taxpayer system.</p> <p>The Government may change the rate of tax at any time, and so this must be easily updatable in the system by authorized BOSS staff.</p>	M	
<p><b>5.4.4 Management of Issues</b></p> <p>1. It must be possible for the same bond issue to be re-opened in the primary market module for further subscription until some pre-determined maximum size is reached. For such re-opened issues, the CSD must update all relevant issue identification and summary data, including the addition of the numbered units of value in the additional re-opened issue.</p>	M	
2. Both fixed rate bonds and the repricing of variable rate bonds must be handled according to the algorithms determined by the issuing authorities.	M	

<p style="text-align: center;"><b>5.4.5 Portfolio Management</b></p> <p>The CSD will contain a comprehensive range of standard portfolio monitoring and management functionality to allow BOSS to define and manage its own portfolio of financial assets. These will include:</p> <ul style="list-style-type: none"> <li>▪ A valuation (mark-to-market) function;</li> <li>▪ Calculation of daily accrued interest (gains and losses on the portfolio) with automatic generation of journal entries for posting to BOSS's GL.</li> </ul>	M	
<p style="text-align: center;"><b>5.4.6 Repurchase Agreements (Repos)</b></p> <p>The CSD must have the ability to handle repos (including the ability to handle multiple securities in a single repo) by recording the change of ownership and the associated obligation to sell-back in the agreed number of days. A repo cannot reach maturity later than any of its underlying assets.</p>	M	
<p style="text-align: center;"><b>5.5 Beneficial Owner and Holder Information</b></p> <p>The Beneficial Owner record is the record of ownership of securities. It may be a single person or organization, or a number of people and/or organizations.</p> <p>A Holder is an individual person or organization. All holders must be identified by a unique identifier (UID). The system must be able to record ownership registration records against the lowest level of issue component recorded.</p>	M	



<p style="text-align: center;"><b>5.5.1 Beneficial Owner Record</b></p> <p>The CSD must hold a record of each beneficial owner of a security. The Beneficial Owner record must include:</p> <ol style="list-style-type: none"> <li>1. A unique identifier referencing the Beneficial Owner. In the case of a single holder this could be the UID. Where there is more than one holder, the Beneficial Owner record must identify the Holders (see “Holder Record”) below;</li> <li>2. An indication if the Beneficial Owner is a single Holder or a group of Holders;</li> <li>3. Who may request a change to Beneficial Owner record or authorize the trading of securities, or if such activity requires all holders to agree;</li> <li>4. Similarly, payments instructions for entitlement payments.</li> </ol>	M	
<p style="text-align: center;"><b>5.5.2 Holder Record</b></p> <p>Holders must be unique within the system. The Holder record will maintain basic information for the purposes of ensuring any holder is only recorded once in the system. Dealers will be expected to keep this information up to date, but may hold additional information in their own systems linked to the Holder record in the CSD. The holder record must include:</p> <ol style="list-style-type: none"> <li>1. A UID that is unique in the system, and has the ability to be validated using an appropriate validation routine;</li> <li>2. Normal contact fields such as first name, last name, address, telephone number and e-mail address, each of which is searchable;</li> <li>3. Domicile information;</li> <li>4. An indication of whether the holder is tax-exempt.</li> </ol> <p>Holder records should be marked as inactive if there has been no movement in their account for 12 months. The holder can be reactivated but only by explicit action on the part of BOSS’s Financial Markets Department.</p>	M	
<p style="text-align: center;"><b>5.5.3 Beneficial Owner and Holder Functionality</b></p> <p>The following functionality must be available:</p>	--	

1. A Dealer must be able to view only those Beneficial Owners and Holders for whom that Dealer is the Custodian;	M	
2. Any securities movement instruction must include the Beneficial Owner and Holder references;	M	
3. The system must be capable of generating messages to the Beneficial Owner and/or Holder when any securities movement has occurred;	M	
4. Authorized BOSS officers must be able to see all holdings in the CSD by Beneficial Owner and Holder;	M	
5. There must be a facility to check for possible duplicates to reduce the possibility of one person having more than one Holder record;	M	
6. The system must have the ability to issue statements as required;	M	
7. The system must have the ability to compute and deduct tax obligations based on parameters set on individual UIDs.	M	

<p><b>5.5.4 Holder Access to Information</b></p> <p>The CSD must have the ability to produce statements on demand at a Holder's request. The system must have the ability to charge Holders for this function.</p>	M	
<p><b>5.5.5 Internet Access to Information</b></p> <p>The CSD should offer a facility to make holder records available over the Internet. This would allow Holders and Beneficial Owners to visit a secure website where, once authenticated, they will be able to see all their holdings independently of the Dealers. Proposals should contain details of how this can be achieved in conjunction with their proposed solutions.</p>	D	
<p><b>5.6 Primary Auction Module</b></p> <p>The CSD must contain an integrated module to manage the primary market in GOSS securities.</p> <p><b>5.6.1 Functionality</b></p> <p>The primary auction module should include the following functionality:</p>	--	
<p>1. Acceptance of bids submitted electronically, by issue, from participants at remote locations (over secure telecommunications connections), with posting of these bids within the system until the formally advised time for bid closure is reached. Bids received must not be visible to any party either within or outside BOSS until the cut-off time for bids is reached.</p>	M	
<p>2. The ability for BOSS to set prudential limits on the total bid value to be accepted from any particular bidder in respect of any particular issue.</p>	M	
<p>3. The ability to include or exclude any listed available bidder so that certain issues can be restricted in the primary market to a subset of all registered primary market traders.</p>	M	
<p>4. The ability to calculate the acceptance and rejection of bids according to the highest prices offered and the total value and composition of the issue to be allocated.</p>	M	

5. The ability automatically to prepare, produce and transmit appropriate acceptance and rejection notices, payment advices and receipts.	M	
6. The ability to maintain a register of all allocations for historical reporting. This may be retained in the CSD as a record against the full issue held at summary and portfolio level.	M	
7. Automatic cut-off of bid acceptance at the time published for bid input cut-off as notified in the issue by BOSS. This time limit for bid input must be able to be set at screen level by BOSS for each issue.	M	
8. The ability to accommodate both multiple price and single price auctions.	M	
9. On Bid price input cut-off, the primary market trading system must calculate the allocation of the issue to the bidders according to the prices offered, to bidder financial limits, and any percentage of the issue which may be reserved for special sale to other select institutions at other than full market rates.	M	
10. The ability to print certificates for bidders who request them.	M	
11. The system must provide reports to both BOSS and bidders at the completion of the issue auction in respect of:  a. Advice to dealers of all issue components issued by amount, unit value, price, etc. This should include confirmation of summary information regarding the type and nature of the issue, interest payable, maturity date and the range of unit reference/identity numbers allocated to the new issue components for that dealer.  b. Advice to BOSS of the composition and rates of the issue allocation by buyer, amount, rate, etc. This must include calculation and display of the yield curve for the issue.	M	

<p style="text-align: center;"><b>5.6.2 Participants</b></p> <p>The participants in the primary auction in the first instance will be the commercial banks.</p>	--	
<p style="text-align: center;"><b>5.7 Secondary Market (Trading) Module</b></p> <p>BOSS wishes to encourage the development of the market in public sector securities and therefore intends to introduce an automated secondary market trading system. The timing of this is not yet decided, and BOSS will consult with both market participants and the CSD Supplier as to when this will happen.</p> <p>In order to assist in the planning process, proposals should contain full information including cost on a suitable secondary market trading system. This must be capable of being fully integrated with the CSD, particularly for the purpose of achieving DvP for all trades.</p>	D	
<p style="text-align: center;"><b>5.8 Linkages to External Systems</b></p> <p>In the first instance the CSD will be tightly-integrated with the ATS+.</p> <p>Proposals must also contain recommendations as to how the necessary financial information relating to securities will be exchanged between the CSD and the EBS.</p>	M	

## C. SERVICE SPECIFICATIONS – SUPPLY & INSTALL ITEMS

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### 1. Implementation and Support

BOSS expects the provision of exceptional service quality from the Supplier. This part specifies the service requirements that must be satisfied to ensure successful implementation of the entire system.

### 2. Business Level Consulting

In light of the fact that the introduction of the ATS+ and CSD is a new development for South Sudan, and that BOSS has consequently little experience in this field, BOSS expects that the Supplier will provide a high level of business consulting and advice – in addition to technical support – throughout the project period, drawing on its international experience in payment systems implementation.

Proposers must therefore provide details of the support they will provide in this area, not only in finalizing the specific functional characteristics of the systems, but also covering aspects such as the development of operational rules and procedures, system charging regimes and any other areas where the Proposer feels that it can offer guidance on good practice and avoidance of pitfalls, consistent with international best practice.

In particular the Supplier will be required to provide example/boilerplate documentation for documents including system rules, participant agreements, certificate policy, e-token management procedures, operating procedures and charging policies. Significant weighting will be given to this aspect of proposals in the evaluation process.

### 3. Project Plan and Implementation Schedule

#### 3.1. Project Plan

Proposals must contain detailed Preliminary Project Plans showing how Proposers intend to carry out all aspects of the project. Project plans must address at least the following subjects:

1. Project organization and management, covering both the Proposer's team and expectations of BOSS's counterparts and their involvement;
2. The Proposer's proposed project team members showing roles and including CVs and relevant certificates;
3. Phases of the project execution and closure showing sequencing, activities and deliverables for each phase;

4. Task, time and resource schedules showing the estimated duration, sequence, resource allocation and interrelationship of all key activities and resources needed to complete the contract, and including a project plan in Microsoft Project format for import to BOSS's Microsoft Project Software;
5. System requirements analysis, design, development, delivery and installation plan;
6. System integration plan;
7. Training plan;
8. Documentation plan;
9. Change management plan;
10. Installation and acceptance testing plan;
11. Warranty and post-warranty service plan;
12. A detailed staff deployment schedule showing, for each month of the proposed contract schedule, the estimated time to be spent by each member of the Proposer's team at all project locations (i.e., South Sudan, the Proposer's home office and any other locations).

The Supplier's Preliminary Project Plan will be refined and updated as necessary by discussion and agreement between BOSS, the Supplier and (as applicable) participants during the first phase of project execution. Once this has happened, it will become the Agreed and Finalized Project Plan and will be subject to formal change control between the two parties' project managers. The Plan will be regularly updated to reflect changes as the project evolves.

### 3.2. Implementation Schedule

BOSS expects the project implementation to comprise at least the activities listed below: -

1. Requirements analysis (scoping study) to establish and document the detailed functional requirements of the systems in the specific environment of South Sudan;
2. Customizations and integration of the application software to meet the detailed requirements documented as described above;
3. Installation, testing and commissioning of the technical components of the system, including integration with the existing ICT environment as necessary;
4. Installation of the application software including technical and integration testing;
5. Detailed documentation and advice to all participants, including BOSS, on linking their systems to the ATS+ (and CSD if necessary);
6. Implementation of all required linkages;

7. Training;
8. Testing including Acceptance Testing;
9. Pilot operation (parallel running).

Proposals should include any additional activities that the Proposer feels are required and should be represented in a project schedule with accompanying Gantt chart as illustrated below.



### 3.3. Illustrative Implementation Schedule

ID	WBS	Task Name	Duration	Start	Finish
0	<b>0</b>	<b>ATS+ / CSD Project Plan Proposal</b>	<b>235 days</b>		
1	<b>1</b>	<b>Phase 1 - Inception Phase</b>	<b>121 days</b>		
2	1.1	Onsite workshop	5 days		
3	1.2	Develop and Deliver Draft Solution Specification and Project	20 days		
4	1.3	Review and Update Solution Specification and Project Plan	10 days		
5	1.4	Final Solution Specification Approval	36 days		
6	1.5	Deliverable 001: Solution Specifications	0 days		
7	1.6	Deliverable 002: Project Charter	0 days		
8	1.7	Deliverable 003: Project Plan	0 days		
9	2	Milestone 01: Acceptance of full system design specification	0 days		
10	<b>3</b>	<b>Phase 2 - Hardware Acquisition and Installation</b>	<b>60 days</b>		
11	3.1	Hardware enabled at cloud	5 days		
12	3.2	Procurement of equipment and services	50 days		
13	3.3	Install HW and communications at selected premises	5 days		
14	3.4	HW and System Software Testing	5 days		
15	3.5	Deliverable 004: System HW and base SW delivery report	0 days		
16	3.6	Deliverable 005: System HW and base SW installation report	0 days		
17	4	Milestone 02: HW and base SW Delivery	0 days		
18	5	Milestone 03: HW and base SW Acceptance	0 days		
19	<b>6</b>	<b>Phase 3 - Software Delivery</b>	<b>110 days</b>		
20	6.1	Solution Integration	50 days		
21	6.2	Deliverable 006: Software delivery	0 days		
22	<b>6.3</b>	<b>System installation and integration</b>	<b>60 days</b>		
23	6.3.1	ATS+ Software Installation on cloud	3 days		
24	6.3.2	Testbed Demonstration	2 days		
25	6.3.3	ATS+ Software Installation on Customer HW	5 days		
26	6.3.4	Deliverable 007: Testbed Acceptance Report	0 days		

ID	WBS	Task Name	Duration	Start	Finish
27	7	Milestone 04: Installation of the Customized Solution	0 days		
28	8	Milestone 05: Installation of the Customized Solution to Client's HW	0 days		
29	<b>9</b>	<b>Phase 4 - Documentation</b>	<b>30 days</b>		
30	<b>9.1</b>	<b>Manuals</b>	<b>10 days</b>		
31	9.1.1	Customize User Manuals	10 days		
32	9.1.2	Customize Technical Manuals	10 days		
33	9.2	Deliverable 008: User Manuals	0 days		
34	9.3	Deliverable 009: Technical Manuals	0 days		
35	<b>9.4</b>	<b>Training</b>	<b>10 days</b>		
36	9.4.1	Customize Training Plans	5 days		
37	9.4.2	Customize Training Materials	5 days		
38	9.5	Deliverable 010: Training Plans	0 days		
39	9.6	Deliverable 011: Training Materials	0 days		
40	<b>9.7</b>	<b>Testing</b>	<b>10 days</b>		
41	9.7.1	Customize Test Plans	5 days		
42	9.7.2	Customize UAT Scripts	5 days		
43	9.8	Deliverable 012: Test Plans	0 days		
44	9.9	Deliverable 013: UAT Scripts	0 days		
45	10	Milestone 05: Documentation Delivered	0 days		
46	<b>11</b>	<b>Phase 5 - Customer Training and UAT</b>	<b>60 days</b>		
47	<b>11.1</b>	<b>Training</b>	<b>5 days</b>		
48	11.1.1	Deliver training	5 days		
49	11.2	Deliverable 014: Training Evaluation Report	0 days		
50	<b>11.3</b>	<b>Remote User Acceptance Testing (UAT)</b>	<b>40 days</b>		
51	11.3.1	UAT	40 days		
52	<b>11.4</b>	<b>Customer Site User Acceptance Testing (UAT)</b>	<b>5 days</b>		
53	11.4.1	Regression Testing on Customer Site	5 days		

ID	WBS	Task Name	Duration	Start	Finish
54	11.4.2	Performance Testing	2 days		
55	11.4.3	Disaster Recovery Testing	3 days		
56	11.5	Deliverable 015: UAT Acceptance Report	0 days		
57	12	Milestone 06: Completion of Implementation	0 days		
58	<b>13</b>	<b>Phase 6 - Pilot Phase</b>	<b>35 days</b>		
59	<b>13.1</b>	<b>Participant Certification</b>	<b>25 days</b>		
60	13.1.1	Deliver training to Participants	5 days		
61	13.1.2	Deliverable 016: Training Evaluation Report	0 days		
62	13.1.3	Participant Certification Process	20 days		
63	<b>13.2</b>	<b>Pilot Runs</b>	<b>15 days</b>		
64	13.2.1	Data gathering and preparations	5 days		
65	13.2.2	Pilot Run	10 days		
66	13.2.3	Pilot execution reporting and review	5 days		
67	13.3	Deliverable 017: Operational Acceptance Report	0 days		
68	14	Milestone 07: Operational Acceptance of the System	0 days		
69	<b>15</b>	<b>Phase 7 - Project Closure</b>	<b>24 days</b>		
70	<b>15.1</b>	<b>Organize Maintenance and Support</b>	<b>4 days</b>		
71	15.1.1	Organize Warranty and Post-Warranty period	4 days		
72	15.1.2	Deliverable 018: Maintenance Contract	0 days		
73	15.1.3	Deliverable 019: Maintenance Coordination Manual	0 days		
74	15.1.4	Deliverable 020: Escrow Agreement	0 days		
75	<b>15.2</b>	<b>Live Cutover</b>	<b>24 days</b>		
76	15.2.1	Live Preparations	4 days		
77	15.2.2	Live Cutover Support	20 days		
78	15.2.3	<i>Start of Warranty Period</i>	<i>0 days</i>		
79	15.2.4	Deliverable 021: Post-Live support report	0 days		
80	16	Milestone 08: Solution Live date	0 days		

#### 4. Supplier's Staff

Proposers must describe the competences, roles and responsibilities of their proposed team members, including CVs for all proposed team members.

To ensure maximum knowledge transfer, the Supplier's project team should be structured to work with counterparts within BOSS, and proposals should therefore show the Proposer's expectations of BOSS's team structure and management, together with roles and responsibilities.

A detailed staff deployment schedule must also be provided showing the planned engagement in person/days of each team member at each stage of the project, both on-site in South Sudan, in home office and in any other location(s).

The project team must include key specialists and alternates in at least the following areas:

1. Project Management;
2. High value/high priority payment processing systems (RTGS);
3. Low value (retail) payment processing systems (ACH);
4. Securities Depository and Settlement applications (CSD);
5. Systems integration;
6. Information security;
7. Relevant Information and Communications Technologies (ICT);
8. Training of non-technical end-users.

Each key specialist must have at least ten years of relevant experience, with the last five years in his/her specialist area, and at least three years of industry experience in a team leader position.

BOSS expects that the Supplier's project team, particularly the key specialists, will be assigned to this project throughout its duration. Should any of these persons become unavailable for the project for reasons outside the Supplier's control, the Supplier must appoint alternate persons of at least equivalent capability and experience, always subject to the approval of BOSS. BOSS may ask for replacement of any of the Supplier's team member assigned in this project at any time if found incapable.

## **5. Project Management**

The following paragraphs give BOSS's expectations as regards overall project management. Proposers are invited to comment on them and to propose any variations or modifications as they see fit.

### **5.1. Steering Committee**

BOSS has appointed an internal steering committee which will have oversight of the project and will have final responsibility for all aspects. The steering committee will liaise as required with the responsible subcommittee of the National Payments Council. BOSS's project manager will act as secretary to the steering committee.

The steering committee will meet regularly during the project to consider the minutes of the previous progress meeting, review progress and approve any actions proposed by the project managers. Both project managers (see next paragraph) will attend steering committee meetings.

### **5.2. Project Managers**

BOSS and the Supplier will each appoint a project manager who will have overall responsibility for ensuring the successful and full discharge of their respective parties' obligations under the contract. To this end the two project managers will work closely together at all stages of the contract.

### **5.3. Progress Monitoring**

Throughout the project execution the Supplier's project manager will submit to BOSS's project manager a monthly progress report covering:

1. Results accomplished during the preceding month;
2. Any deviations from the Agreed Project Plan, corrective actions to be taken, and proposed revisions to the project schedule;
3. Other issues and outstanding or potential problems, and proposed actions.

The two project managers will hold regular formal progress meetings at a frequency to be agreed, but no less than monthly. These meetings will be used to consider progress to date (including the Supplier's monthly progress reports), agree actions to be taken to resolve problems, and update the project plan as necessary.

The project managers will invite other project team members to take part in the progress meetings as necessary.

Written minutes of all meetings and agreed actions will be taken by BOSS's project manager and circulated to all affected parties as applicable, including the steering committee.

### **5.3.1. User Group Meetings**

The membership of Working Group could comprise of representatives of all involved BOSS departments, banks, Credit Unions and involved GOSS institutions. BOSS's project manager will convene regular meetings of the Working Group, at which the two project managers will report on progress and consult on any project aspects requiring user involvement. In the longer term the Working Groups could form the basis of the National Payments Council.

## **6. Knowledge Transfer and Training**

### **6.1. Knowledge Transfer**

BOSS considers training and knowledge transfer to be among the most important factors for the success of the ATS+ project. An important objective is therefore to ensure effective transfer of payment systems and related technological knowledge, not just at BOSS, but also among the participant organizations. This is viewed as critical in order for all parties to become self-sufficient in the operation and maintenance of the new services and related technologies. Proposers must describe in detail how they intend to achieve a high degree of knowledge transfer.

### **6.2. Training**

Proposals must include training plans showing, for each system element to be supplied, and for the project overall, all proposed training modules, the recommended number and (if applicable) prior knowledge of people to be trained in each institution, the duration of each training module and the proposed number of times each module is proposed to be delivered.

All training must be carried out by qualified personnel who hold relevant certificates as applicable. The Curriculum Vitae and copy/ies of certificate/s must be supplied for each trainer proposed.

Training plans should specify any prerequisites that must be satisfied prior to the commencement of training. They should cover not only BOSS but all involved organizations as applicable to each part of the ATS+.

Training should include specific modules for:

1. Management level personnel for both BOSS and participants;
2. Supervisory and operational staff for both BOSS and participants;
3. Audit staff;
4. Technical training for systems development and testing staff in both BOSS and participant institutions;
5. Technical training for systems operations and maintenance staff in both BOSS and participant institutions;
6. Training in the creation of reports, and in the use of a report writer as applicable;
7. Any other relevant training for users.

## 7. Documentation

Preliminary project plans must contain detailed specifications of the documentation which the Proposer will provide, indicating for each item: (i) on which medium or media it will be supplied; and (ii) whether it is a standard document or it will be tailored to the specific context of the South Sudan system. BOSS expects that the supplied documentation will include at least the following:

1. **Product Literature**, describing the different system components that address the business and technical requirements of this procurement;
2. **End-user Documentation**, tailored as applicable, covering operations guides, operating manuals, and standard user manuals. On-line help must be provided in all system modules;
3. **Technical Documentation** that BOSS will need to use for the safe and effective running of the processing environment. This should include 'as-built' and final design documentation that includes the selected options and configuration settings, and all operating instructions and procedures;
4. **Detailed Documentation of Operational Processes.**

## **D. TECHNOLOGY SPECIFICATIONS – SUPPLY & INSTALL ITEMS**

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### **1. Technical Environment**

#### **1.1. Security and Integrity**

The ATS+ and CSD will be developed and implemented to the highest standards of security and will meet all participants' expectations of confidentiality, integrity, and availability.

Operational integrity will be supported through hosting the processing capability for the system at primary and Disaster Recovery (DR) processing sites, with redundancy of key components and close integration between the two sites to ensure that the system operates to a level of performance and reliability commensurate with its critical role in the national economy of South Sudan.

#### **1.2. Hardware and Associated Software**

Proposals must include all necessary items of hardware and other required technical elements. The systems will run on dedicated hardware to be installed in both primary site and DR sites, as follows:

- i. The live system will run on servers installed at both sites. The equipment at each site should be sufficient to run the entire system should the other site become unavailable, but in normal operation BOSS expects that the systems running at the sites will be coupled in such a way that a failure at either site should have no effect on the running of the overall system. The Supplier will work with BOSS to develop and test suitable failover procedures to allow for situations of multiple failures or complete unavailability of one site.
- ii. A separate test and training system will be installed at the central site. This will be used as required for testing of changes to the software, training of staff, etc.
- iii. Proposers should provide recommendations as to the separation of application and database servers and data storage.
- iv. Proposers should provide recommendations as to the separation of the ATS+ from any internal networks so that BOSS users will connect to the ATS+ in the same way as users in any other participant;
- v. Proposals should include provision of sufficient data storage capacity for the system.



The servers, together with all other required or recommended items of hardware and software such as operating system software, DBMS, etc., should be fully specified by proposers. Any items omitted from the winning proposal which are subsequently discovered to be required will be provided by the Supplier at no further cost to BOSS. All items must be compatible with BOSS's existing ICT infrastructure. All servers must be provided by the selected vendors a part of the turnkey solutions.

The Supplier will be required to provide contractual assurances that the agreed total configuration (hardware, networking, communications and software) will support both systems in processing expected workloads for a minimum of five years after acceptance.

### 1.3. Communications

The secure transmission and receipt of messages is essential for all elements of the systems. The system will require the highest standards of availability, reliability and performance, and the total system will therefore be based on the use of multiple networks for resilience.

No decision has yet been taken as to the networking option(s) to be selected, and BOSS will consult with participants and the Supplier as to the options to be adopted before making a final decision. Preference could be for commercial banks to use a SWIFT Closed User Group (CUG) in Y-Copy mode for RTGS transactions.

In addition, or alternatively, BOSS could implement primary and secondary Very Private Networks (VPN) linking BOSS with all participant Head offices including Credit Unions and Ministry of Finance in a closed loop. These latter institutions will use the VPN for all their network traffic including sending and receipt of payments as applicable and other traffic including downloading of statements, submission of regulatory returns etc.

Options for the VPN include: (i) using existing GOSS owned fiber-optic network if in place; (ii) a wireless network to be sourced from a different telecommunications provider; (iii) an existing Internet-based VPN. The Supplier will be required to assist BOSS in determining key characteristics of any VPN option, such as bandwidth for each connection, and relevant technical characteristics.

## 2. Services

BOSS understands that the success of this project is particularly dependent on the provision of a comprehensive range of high-quality services from the

Supplier. BOSS will therefore place strong emphasis on this aspect when evaluating proposals.

Proposals must contain full details of the services to be provided, as described in detail in part 7 below. In summary they will include:

2.1. A comprehensive range of implementation services which will include:

- a. Project Management;
- b. Business level consulting to advise BOSS and participants on the non-technical aspects of implementing the systems, including development of system rules, pricing policy, operational procedures, certificate policy, e-token management procedures, etc.
- c. Requirements analysis to investigate and document the functional requirements of the systems in the specific environment of South Sudan;
- d. Customizations and integration of the application software to meet the detailed requirements documented as described under b above;
- e. Installation, testing and commissioning of all technical components of the solution, including integration with existing ICT environments as necessary;
- f. Installation of the application software including technical and integration testing;
- g. Detailed documentation and advice to all participants on linking their systems to the ATS+ (and CSD if necessary);
- h. Implementation of all required linkages;
- i. Testing as specified in 7.5;
- j. Training as specified in 7.6;
- k. Documentation as specified in 7.7.

2.2. On-going (post-acceptance) support of the entire system including:

- l. Hardware support and maintenance;
- m. Problem analysis/management and error correction for application software;
- n. Support, advice and guidance for all supplied software;
- o. Provision of all corrective, new and updated versions of the software which become available, including change management support for introducing them.

### 3. Common System Requirements

BOSS wishes to implement a conceptually integrated system comprising Automated Transfer System and Central Securities Depository components.

These two, together with the linkages described later and other associated supporting systems, will be considered as one integrated payment processing system. Each of these components has its own specific functional requirements and these are described in Parts 5 and 6. This Part 4 provides the detailed specifications that are common to the overall system.

Proposals should consider all aspects of the system including:

- (i) The facilities and functionality provided to all system participants;
- (ii) System performance levels;
- (iii) Billing;
- (iv) Operations, maintenance and support;
- (v) Development and enhancements;
- (vi) Capacity, scalability and upgradability of the system.

#### 3.1. Principles

All software components should be based on best international practice and be consistent with the following principles:

- i. Have a high level of usability with a common “look and feel” achieved through a standard graphical user interface (GUI);
- ii. Comply with industry standard conventions and interfaces which allow the system to be interfaced easily with other systems, and/or expanded by either functional module or capacity;
- iii. Offer low cost and easily implemented technical connections for external participant sites on either a remote terminal or host-to-host basis for all system traffic;
- iv. Enable BOSS system operators easily to add, remove or suspend participants;
- v. As appropriate, permit optimum use to be made of any equipment that is already installed in both BOSS and participant organizations;
- vi. Provide full audit trails for all activities within the system, including system accesses and messages sent and received;

- vii. Have high levels of trustworthiness with particular emphasis on data integrity and security, particularly preventing unauthorized access and assuring 100% data accuracy;
- viii. Have very high levels of service availability which will be assured through demonstration, rigorous testing and a robust Service Level Agreement;
- ix. Offer automation of daily processing with full exception and summary control reports for both BOSS and participants;
- x. Provide comprehensive user, event and problem management and monitoring tools;
- xi. Be configured such as to process the expected workload in terms of throughput capacity and response times, making due allowance for peaks in transaction volumes and general growth in transaction volumes.

### 3.2. Operational

As applicable, the system should:

- i. Allow for easy customization through on-screen parameters to accommodate new, changed or modified rules that will govern various functions e.g., create a new message type, create a new instrument type, etc.;
- ii. Allow authorized personnel to change the business process flow through the setting of parameters in process control tables;
- iii. Provide online access to and reporting of historical records – covering a period of at least seven (7) years plus the current year – without compromising response times;
- iv. Provide online, context sensitive help for all user and operator functions;
- v. Enable automation of daily processing including initiating links to directly interfaced systems with appropriate security procedures and exception and summary control reports;
- vi. Be operationally resilient, with high levels of local recovery supported by an appropriately configured DR installation and a smooth cut-over between the primary and DR sites, and back again to the primary site when service is recovered.
- vii. Supports multiple currencies

### 3.3. Integrity

The system should provide:

- i. Financial integrity checks to ensure that 'value in = value out' at all times and that the ATS+ component can be reconciled to a zero-net balance at any time;
- ii. Message processing integrity checks to ensure that the total nominal value of all instruments in all recorded portfolios is matched, and reconciles with the control totals for all issues registered;
- iii. Processing integrity checks to ensure that [the number of financial items 'in' equals the number of financial items 'out'] at all times and that each processing site can be reconciled to a 'no missing items' position at any time;
- iv. Consistent and regular reporting for financial processing, security logs, calculated settlement positions, gross and net settlement values, batch and file numbers processed etc. which can be reported both locally and centrally to prove system integrity and complete system-wide reconciliation;
- v. Local record of all messages sent, pending and received each day;
- vi. Encryption of all data flows;
- vii. End-of-day audit and activity reporting;
- viii. Local recovery capabilities;
- ix. Security of messages with a high level of message authentication, data integrity, and confidentiality;
- x. A very high level of availability and reliability;
- xi. Guarantee of no data loss either in transmission or after a failure;

System management functions must be fully integrated. For example, setting any parameter that may be applicable to all system components must be set only once. All system information moving between components must be transparent to system operations.

### 3.4. Transaction and File Processing Controls

Incoming transactions and files must be checked for at least the following:

1. That the type and format are correct;
2. That the source is authorized;
3. That the identification, date and, for files, control totals are correct;
4. That a message is not a duplicate.

Outgoing transactions and files must be checked at least as follows:

1. It must be assured that no transaction or file will be left undelivered;
2. If delivery is not possible, alerts must be available;
3. It must not be possible to deliver twice, except under recovery procedures when both parties are made aware of the possibility that the message may be a duplicate.

### **3.5. Validation Controls**

Validation controls must include:

1. Validation of batches and individual payment instructions, of all types;
2. Validation of mandatory and optionally other fields within funds settlement instructions;
3. Authentication of message sender;
4. Confirmation of message traffic and validity to the sender;
5. Flexible and tailorable validation routines.

Proposals should describe validation options offered by their proposed solution and the extent to which these can be tailored by BOSS, and also discuss the processing overhead that validation controls may impose on the system in a high-volume environment.

### **3.6. Message Integrity and Accountability**

The controls must include the following:

1. Each registration of change instruction or payment instruction, and files containing such instructions, must be uniquely identified with its physical source, user identification and date and time of entry into the system;
2. Each instruction must be executed according to the single or multiple levels of authorization (two-eyes, four-eyes or six-eyes) prescribed by the administrator and/or the participants;
3. A message sequence numbering scheme and control procedure must be implemented to ensure there is no loss, duplication or unauthorized insertion of messages;
4. Non-repudiation is required for all participant messages;
5. Application-level message acknowledgment is required as a mandatory component of all message handling;

6. Where an operator has the ability to make any change to any message (e.g., value messages or messages that contain instructions for making payments or transferring securities) or critical system parameters, the system must allow for multiple authorizations;
7. It must be possible for operational management automatically to trace any transaction from the point of entry into the system up to the delivery to the final destination with complete information about the time the message was received and delivered, and the processing which occurred at each step at each location handling the transaction/file. Information for this purpose must be kept on line for a period which can be defined by BOSS, after which time the data should be archived to permanent off-line storage;
8. It should be possible to suspend processing of elements of the system (for example selected payment queues or streams) in the course of the business day and resume operation without the loss or duplication of messages;
9. In the case of failure leading to unavailability of the primary site, the system will be switched over to run at the DR (alternate) site. BOSS's requirements in this respect are as follows:
  - a. No data loss should occur; in other words, the Recovery Point Objective is zero data loss. Should any loss occur, this must be unambiguously identified to both the participant concerned and the system operator immediately on resumption of service on the DR site;
  - b. The Recovery Time Objective is that the failover to DR operation should be completed within a target time of ten minutes, and no more than 30 minutes, with minimum user intervention.

### 3.7. System Operation

1. To minimize the opportunity for human error to cause service disruptions, operation of the software should be automated as far as possible, with controls to assure successful completion of each job as a condition for initiation of subsequent job sequences;
2. The software should offer a consistent graphical user interface (GUI) to enable BOSS to control its overall operation. This should provide a comprehensive range of user-definable parameters which should be fully described in proposals;
3. To assist in the execution of monetary policy, the system should be able to show on-line to BOSS summaries of the overall liquidity situation of the

- system, both stand-alone and compared to previous situations (hours, days, and weeks);
4. Participants must be able at all times to see their liquidity situation, flow of payments (received, settled and queued) and trends (in the form of graphs, histograms, etc.) both for the current day and historically;
  5. Technical management requirements must be kept to a minimum. It is especially important that all error messages be simply displayed and easy for operational staff to understand and react to;
  6. The system should require minimum (preferably no) intervention by IT technical staff for normal operations including start-up, daily operations and shut-down;
  7. The system should provide a range of alarms and alerts with options for:
    - a. Different alert levels (e.g., critical, serious, information-only);
    - b. The nature of alarms available (e.g., flashing message at an operator workstation, audible warning, email message, SMS message to a mobile phone);
    - c. BOSS to specify the recipients of alerts (e.g., operations staff in BOSS Payment Systems Department, participant bank end-users, BOSS IT operations, BOSS Accounting Department, BOSS Monetary Operations Department, etc.);
  8. Certification measures will take place using the test environment that is to be established as part of this procurement. They should be carried out using a standard set of test messages that will be developed as part of the overall system implementation and should include:
    - a. Testing and certifying new software releases/upgrades prior to use;
    - b. Testing and certifying new system participants in respect of hardware, software, communications and procedures.

### 3.8. Enquiry and Reporting

The ATS+ will provide comprehensive reporting and on-line enquiry facilities allowing all participants to make a broad range of requests for the purpose of monitoring their positions, tuning system functionality, managing intra-day liquidity, queue management of payment requests and so on.



### 3.8.1. Reports

Proposals must contain a full list of all standard enquiries and reports available in the proposed software package(s), for all types of users. They must also include a representative sample (listings and screen-shots) of enquiries and reports sufficient for BOSS to gain a good understanding of what is provided. These samples should demonstrate comprehensibility, usability and comprehensiveness of the information contained in enquiry screens and reports.

Proposals should contain details of: (i) how BOSS staff can tailor/customize standard reports if desired; (ii) proposed report-writing tools for the development of further (non-standard or *ad hoc*) reports; and (iii) proposed training/knowledge transfer to ensure that BOSS staff are able to undertake future report development.

### 3.8.2. Dashboard

BOSS wishes to implement a consolidated display capability ('dashboard') to support system operations staff in managing the overall ATS+. This will use a large monitor positioned centrally in the operations area to provide BOSS staff with a view of the overall status of all critical and important elements of the system. Proposers must describe how their system supports this concept, with recommendations as to the data items that would be displayed.

## 3.9. Security

### 3.9.1. Monitoring and Measurement

All accesses to the system, transactions handled by the system and changes affecting access controls, system parameters, directories and similar control and integrity functions should be logged and reported to BOSS operators, and be accessible for authorized retrieval and analysis, on a daily basis. It must not be possible to alter in any way the contents of any audit log;

3. The following information must be provided:
  - a. Control totals for a day's processing in a location;
  - b. Management information relating to all system users (from both BOSS and other participants) and their access privileges;
  - c. Invalid access attempts at workstations;
  - d. The number, frequency and source of invalid transactions and files;
  - e. Any unusual behavior patterns by an authorized user, indicating increased risk and/or attempted fraud.

### 3.9.2. Access Controls

1. Access to all parts of the system must be restricted to authorized personnel or systems by means of strong system, device and user authentication. User authentication capabilities should include two-factor authentication, and the Supplier will be required to supply all necessary hardware, software and services (including advice on implementation) to achieve this;
2. The system should support a hierarchical user structure, such that at each participant (and also in BOSS's operational area) there can be a local administrator with certain additional rights (e.g., for password reset);
3. Separation of duties must be strictly enforceable for all sensitive programs and functions;
4. All accesses must be logged to include system or physical device identification, user identification and the time of each access in order to provide a clear audit trail for review in case of accidental or deliberate violation of security controls;
5. The system start-of-day procedures should include the initiation of directly interfaced systems and confirmation of the authenticity of each interfaced system;
6. Users should not be able to see menu options for those functions they are not authorized to use;
7. The system must enforce sound password management. That includes: enforcing the use of 'strong' passwords; forced expiry of passwords at parameter-defined intervals; disablement of accounts after a parameter-defined number of unsuccessful log-in attempts; and not permitting the re-use of a parameter-defined number of previously used passwords;
8. Application workstations must be logged off automatically if idle for more than a specified – but variable – period, to prevent access by unauthorized third parties if left unattended.

### 3.9.3. Fail-Safe Operation

1. The system must provide the highest level of availability. The system should therefore be configured such as to be able to recover from any single failure automatically, and with no interruption in service;
2. In any case, the system must be able to complete processing of all transactions for the day within a maximum of two hours after normal close of day.

### **3.10. Processing Requirements**

BOSS requires the highest level of performance, availability and reliability from the system. The system will therefore be implemented to run at two sites (primary and DR). A further copy of the system for test and training will also be run at the primary site.

High Availability will be required for the primary site including network infrastructure, servers, and storage. The server and storage specifications for the primary site should be the same for the servers and storage at the DR site.

BOSS will regularly copy all data to back-up media daily, weekly and monthly and store it at an off-site location. The Supplier will be required to work with BOSS's IT Department to specify appropriate back-up procedures and train BOSS staff in these procedures.

#### **3.10.1. Operational Resilience**

All system elements must be designed and configured to provide a very high level of reliability, resilience and availability, as further described in [4.13](#). The system at the primary processing site should keep the system at the DR site updated (and vice versa as necessary) so that, in the event of a failure at one site, the other site is able to continue processing with minimal manual intervention.

Proposers should address these requirements carefully, and make appropriate recommendations for achieving the highest level of performance and reliability.

Proposals should contain a detailed specification of all proposed hardware, software and any other necessary components to achieve the required levels of reliability and switchover times. They should also include a discussion of worst-case scenarios requiring a complete switch-over from the primary to alternate site.

#### **3.10.2. Test Environment**

A test environment should be available at all times to allow for testing of planned system changes, or for participant interface testing. Proposers should describe how they will accomplish the following main tasks:

1. Management of changes involving hardware, system software and application software, covering all participants;
2. Operation of the above system components;
3. Testing of parameter-level changes made by the system operator.

It is expected that the initial system implementation will follow this process.

### **3.11. Operational Requirements**

#### **3.11.1. Daily Processing Cycle**

BOSS will publish a schedule giving the daily processing cycle for the system. The timing and duration of different processing windows will be agreed between BOSS and participants.

The system operating hours will be flexible and capable of adjustment to cater for abnormal circumstances.

For certain classes of payments (queues) it must be possible to suspend daily operation and restart on another day while retaining the same value date.

#### **3.11.2. Start/End of Day**

With the exception of security provisions, any procedures related to the start/end of day activity should normally be handled automatically, but be capable of being run manually in case of disruptions to the normal daily schedule.

#### **3.11.3. Performance Monitoring**

The performance of all components of the system will be monitored on an on-going basis, and relevant exception reports will be produced with suitable highlights whenever system performance falls outside accepted performance standards. Proposals should include details of Proposers' recommendations covering at least the following:

1. A performance monitoring system, including events monitor integrated with the dashboard described in 4.8.2, which depicts critical operational and security events including the operational status of all authorized users and attempts to access the system by unauthorized users;
2. Introduction of a reporting system which can be used to monitor the quality of the service and provide appropriate tailored information to all participants.

Proposers should describe how the different measures should be monitored and, where appropriate, also give an indication of the levels of performance they typically expect to achieve. The measures should include at least the following:

**System Availability**

The System Availability measure should capture the percentage of normal business hours in which each system component is delivering service to participants regardless of the source of any service disruption e.g., hardware, software, network, power, human error.

**Message throughput**

Message throughput should be monitored and reported against at least the following parameters:

- The number and value of RTGS messages per day by payment type, stream (queue) and participant and in total;
- The number and value of RTGS messages processed during the peak hour;
- Average time in queue of RTGS messages by queue, by participant and in total per day;
- The volumes and values of ACH payments by instrument type and clearing session;
- The number of messages and transactions processed through the CSD.

Proposals should describe all available tools to collect and maintain statistics for both BOSS and participants.

**3.12. Operational Rules and Procedures**

The Supplier will be expected to advise and assist BOSS in developing and implementing rules and procedures (for both BOSS and participants as applicable) for operation of the system. This must include provision of suitable sample documents which BOSS can adapt, including at the least: (i) system rules; (ii) participant agreement; (iii) BOSS certificate policy; (iv) e-token management procedures; (v) operating procedures for both BOSS and participants; and (vi) pricing policy.

**3.13. Billing Information**

The system must include a flexible billing mechanism which will automatically calculate fees for each participant, and which should have the following functionality:

1. Enable fixed periodic charges (e.g., annual or monthly membership fees) to be levied;
2. Calculate usage fees based on message or instruction type;

3. Allow for a grace period where no usage fees (or reduced usage fees) are levied at system launch to get user participation and buy-in; Apply value modifiers for different payment streams (queues);
4. Apply value modifiers by message during time bands during the day;
5. Apply value modifiers for volumes of transactions;
6. Allow for different charges according to participant;
7. Apply charges directly, with no manual intervention other than authorizing the transaction;
8. Automatically create invoices to be sent to all direct participants as well as those without deposit accounts at BOSS, such as indirect participants.

The billing and invoicing interval/cycle should be flexible and able to be set by BOSS.

Proposers should fully explain the options and capabilities of the charging and billing functionality, including the automatic generation of relevant payment messages. The Supplier will be expected to advise and assist BOSS in developing and implementing a suitable pricing and billing policy.

#### **4. Hardware, Software and Communications**

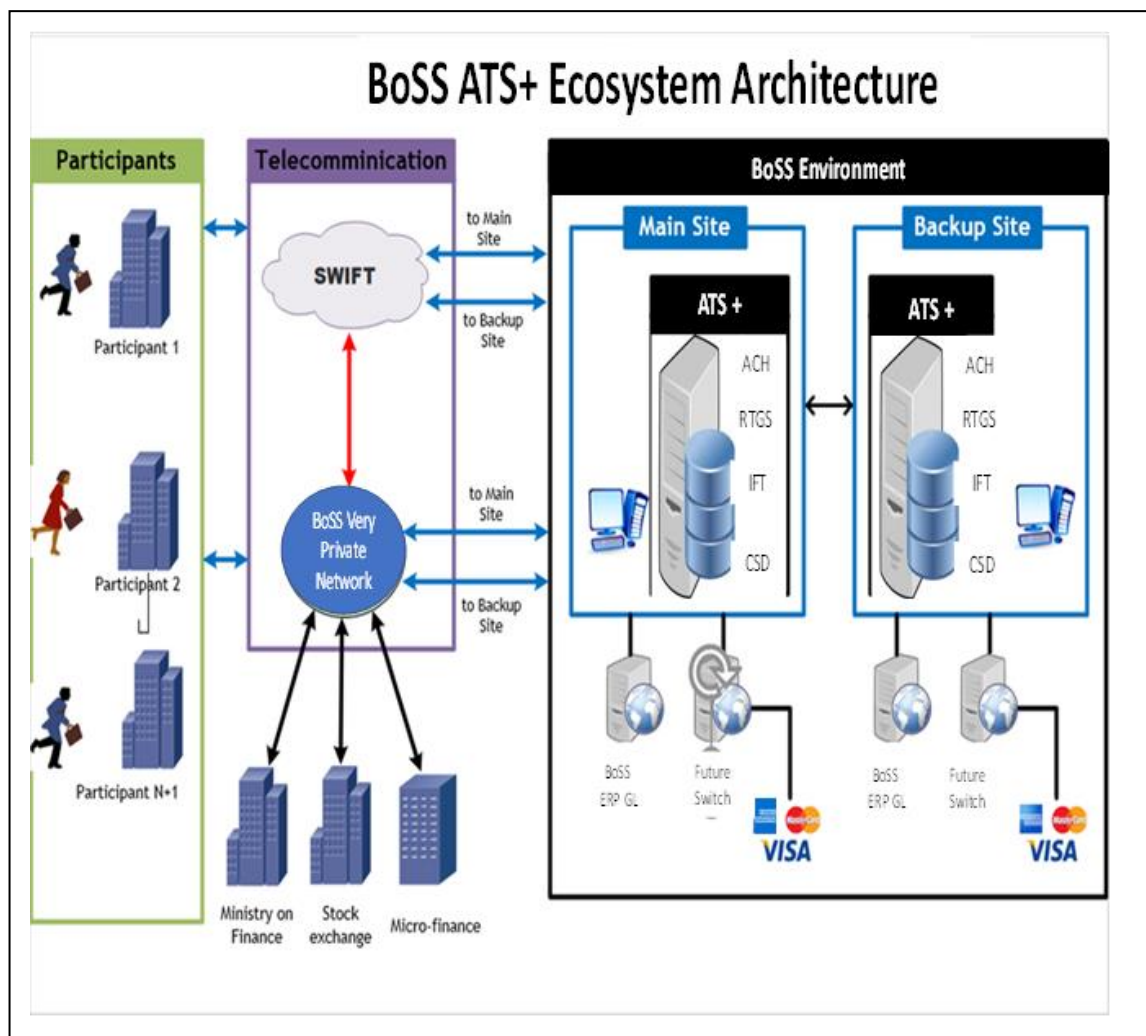
The ATS+ will run on dedicated hardware to be installed both in a primary site at BOSS's head office and in a Standby location alternate (DR) site, as follows:

1. BOSS expects that the equipment at the primary site will have comprehensive resilience features to ensure that, in normal operation, a failure of any single server (for example) will have no effect on the operation of the system.
2. The live system will be installed on servers at both sites. The equipment at each site should be sufficient to run the entire system should the other site become unavailable. Proposals must contain recommendations as to how both sites will be equipped and coupled to enable the highest level of availability.
3. Proposals should also contain details of how suitable failover procedures will be developed and tested to allow for situations of multiple failures or complete unavailability of one site.
4. An additional test and training system will be installed at the primary site. This will be used as required for testing of changes to the software, training of staff, etc.

Proposals must give full details of all hardware, system software, middleware and any other products and equipment necessary to run the system. All items must be compatible with BOSS's existing ICT infrastructure.

The Supplier will be required to supply, commission and test all hardware, system software, middleware and any other products and equipment necessary to run the system, and to provide contractual assurances that the agreed total configuration (hardware, networking and software) will support the system in processing expected workloads for at least five years after acceptance.

#### 4.1. Illustrative Architecture



The above illustrative hardware architecture, equipment and related software is envisioned for BOSS:

1. Primary site A will be located on servers (on premises) in Juba.

2. Secondary Site B (Disaster Recovery site) will be in a defined area.
3. Alternative Cloud during the implementation must be considered

Proposers must provide a comprehensive architecture and supporting bill of materials covering the proposed ATS+ / CSD architecture which should include all components required for the BOSS installation as well as all WAN secure devices and software needed for direct participants to connection to the ATS+ / CSD ecosystem. Proposer must also provide alternative solution for the Cloud in case the equipment's are not deliver on time.

## **4.2. Hardware**

Proposers must specify full details of all hardware elements recommended to operate their proposed solution at both sites. These should include details of any hardware that may need to be installed by participating organizations.

All components of the system will be required to operate without a need for upgrade for a period of at least five years from operational acceptance and the hardware should be sized accordingly.

Proposals and bills of materials are to contain supply and installation PKI e-tokens, 200 (Two Hundred) cheque scanners, 10 (ten) access points, and any other equipment proposers deem necessary for seamless establishment of the ATS+ / CSD ecosystem.

Hardware recommendations should include all necessary related services and should cover (as applicable):

### **4.2.1. Servers**

Proposals must specify in detail all recommended virtual / cloud-based and on-premise server components, covering application, data and any other required servers (e.g., web or certificate servers and their associated software), together with any items necessary for connection to BOSS's existing ICT environment. These should include, as well as application and database servers, any others such as certificate servers, web servers, etc.

Servers will run under the Microsoft Windows Server operating system. Proposers should specify the options, versions/variants, etc. that are required.

### **4.2.2. Data Storage and back-up**

Proposals must specify in detail the recommended data storage capacity and equipment for both sites (primary and DR). This should be support by sizing information on the capacity required to hold all copies of the system database(s) and any other supporting data, based on the current and forecast



volumes given in these Technical Requirements. Proposals should allow for the last five plus the current year's data to be held in the on-line database and up to ten years' data on a secondary database. Proposals should contain worked calculations justifying the proposed data storage capacity and equipment.

These requirements will be finalized during contract discussions with the Supplier.

Proposals must also include equipment and software for data back-up (e.g., disc-to-media or disc-to-disc-to-media), and draft procedures for taking and maintaining back-ups. The Supplier will work with BOSS's IT Department to implement and practice the back-up regime.

#### **4.2.3. Rack Space**

Proposals should include all information necessary for BOSS to understand the impact of the new hardware on the data center, including physical information on the servers and other units such as dimensions, rack space requirements, power consumption and so on. Details should be part of the BoM and provided as a turn key

#### **4.2.4. Other Hardware**

Proposals should include details of any other hardware required to implement their solution, for example networking and security components such as routers, switches, firewalls, network access control, and other security appliances, etc.

BOSS expects that it will not be necessary for participants to install any equipment on their own premises specifically for the ATS+ or CSD (noting that the planned inter-participant network(s) and associated termination equipment are outside the scope of this RFP). If participants will be required to install any ATS+/CSD related equipment this must be detailed in the proposal.

#### **4.2.5. Network Access**

Both systems must carry out rigorous authorization, authentication, and accounting of all external users accessing any part of the system.

BOSS requires two-factor authentication to be used for user management. It is assumed that this will be based on the use of hardware tokens, each containing a unique digital certificate identifying its owner. Proposals should contain full details of the proposed approach, including the hardware and software required and the way in which the proposed ATS+/CSD solution implements two-factor authentication.

In addition, the Supplier will be expected to provide draft copies of: (i) a Certificate Policy for BOSS; and (ii) Procedures for managing the generation, distribution, use, renewal and revocation of e-token.

#### **4.2.6. Bill of Materials**

Proposers are required to provide a comprehensive bill of materials listing proposed inventory of materials required for this implementation. BOSS requires that all materials supplied are based on latest technology. Materials supplied should not be at end of their generation and or support periods. Such periods should extend beyond the warranty period following operational acceptance of the ATS implementation.

### **4.3. Software**

#### **4.3.1. Participant Software**

In addition to software required at BOSS, proposers must specify in detail all software products (required and optional) that may need to be installed by each participating organization, including requirements for Straight-Through-Processing (STP).

#### **4.3.2. System Software and Middleware**

In addition to server operating system(s), proposals should clearly specify in detail any other system software and middleware items that will be required to run the ATS+ and CSD.

#### **4.3.3. DBMS**

Microsoft SQL Server is the required database management system. Proposals must include the requisite number of licenses for this.

Proposers should provide a description of any special facilities of SQL Server which are utilized by their application, for example automatic database replication to facilitate high availability.

#### **4.3.4. Report Writer**

Proposals should describe standard easy-to-use database report generation tools that can be used for the rapid development of reports e.g., crystal report writer to satisfy needs that might arise on an *ad hoc* basis. Proposals should also indicate whether these tools are provided as an integral part of the proposed application software package(s) or are offered as a separately-chargeable item.

#### **4.3.5. Communications**

Proposers should specify in detail all communications requirements for their solutions, covering both BOSS (both processing locations) and all participating organizations, including performance, security, reliability, backup capability, bandwidth and any other relevant considerations.

Proposers should also comment on BOSS's current intentions regarding choice of network solutions and in particular describe how their proposed systems support communications in a mixed network (SWIFT and/or one or more private networks).

## **E. TESTING AND QUALITY ASSURANCE REQUIREMENTS**

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### **1. Testing and Acceptance**

The full system will not be finally accepted (i.e., achieve Operational Acceptance) until all functionality has been fully tested and shown to be working correctly at all locations, including all participants.

#### **1.1. General**

The installation and testing process will demonstrate (for all system components):

1. Ease of installation and system start up;
2. Operation of the system platform;
3. Operation and management of both systems by non-technical staff;
4. Reliable and efficient automated communications interfaces;
5. High reliability and fast recovery in case of failures;
6. Effective and correct operation of all system linkages;
7. Complete integrity of processing and accurate responses to all system information enquiries;
8. Ability to handle expected and peak workloads for a minimum period of five years after Operational Acceptance;
9. Clear and effective documentation and other support materials;
10. Effective education and training;
11. Effective organizational arrangements for full scale operation;
12. Effective support organization;
13. Effective problem reporting, tracking and resolution procedures.

#### **1.2. Acceptance Testing**

Successful completion of the contract will be attained through a series of formal acceptance tests performed on all aspects of both systems. Payment will be directly related to successful completion of agreed milestones.

The acceptance tests will demonstrate that the Supplier has met each requirement specified and agreed in the contract and has delivered all required reports and documentation and an effective operational system.

Each step of the acceptance tests will be fully documented and signed-off by BOSS to signify acceptance of each element.

### **1.3. Sequence of Acceptance Tests**

1. Initial acceptance tests will be performed using the system installed at the primary site at BOSS. These tests will confirm general functioning of each element of the entire system, together with any linkages within BOSS, particularly: (i) the linkage between the ATS+ and CSD systems; and (ii) the interface to BOSS's General Ledger.
2. Functional acceptance tests will be conducted across the fully installed systems in both the primary and DR processing sites, and all elements installed at participant institutions, including linkages with participants' in-house systems and GOSS systems. These will entail testing every detailed aspect of system functionality, including a full range of error checking.
3. Operational acceptance tests will involve full load (stress) testing of the system to confirm the ability of the hardware and software (as sized by the Supplier) to handle the maximum expected peak workload. They will include the full range of failover procedures specified by the Supplier for handling failures at either site.

### **1.4. Acceptance Test Design and Execution**

The contents of all acceptance tests will be proposed by the Supplier for BOSS's approval and planning, and modification as necessary. All acceptance tests will be carried out by BOSS and/or participant operations and technical staff, and will be monitored and supported by the Supplier at each step. BOSS and participants will make management personnel and staff available to the Supplier to participate actively in the acceptance test process as an integral part of the training and knowledge transfer and eventual handover of the system to BOSS.

### **1.5. Evaluation of Acceptance Test Results**

BOSS's project manager will be responsible for the final rating of all acceptance test results. At the end of each test phase BOSS's project manager will provide to the Supplier either a formal letter of acceptance if the Supplier has met its contractual obligations, or a statement specifying which obligations have not been met and must be met before acceptance can be granted.

Operational Acceptance will be achieved only after successful completion of all tests and formal acceptance of all project deliverables.

## **1.6. Fault Correction**

The Supplier will be responsible for correcting all faults (i.e., instances where any element of the systems does not perform in accordance with the signed-off specification) found during acceptance testing in a timely manner so that the overall project schedule is not affected.

## F. SERVICE SPECIFICATIONS – RECURRENT COST ITEMS

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### 1. Support Services

#### 1.1. System Implementation

The Supplier will provide operational support for the entire system including hardware on-site at the primary and alternate processing sites during the implementation period and for a period of three months after Operational Acceptance. During this time, the Supplier's support personnel must be available on an immediate on-call basis during normal business hours at BOSS's head office.

During the implementation period the Supplier will assist BOSS in establishing a help desk service to provide application-level support to all users during the operating day, including implementation of a help desk software package, advice on staffing levels, training, documentation, operating procedures and any other relevant aspects.

#### 1.2. After Operational Acceptance

Following Operational Acceptance, the Supplier will provide support for the entire system including hardware at no charge for a period of 36 months (the Warranty Period). The Supplier will establish a single point of contact for all software or support related problems. The contact point will be available throughout the system operational day, which will be agreed between BOSS and the Supplier during implementation. Terms for out of hours support will also be agreed upon during this period. The support services will include:

1. Full hardware support and fault-fixing services.
2. Software support, including:
  - a. Problem response, management and resolution as detailed below;
  - b. Error correction (patches) for the application software;
  - c. General advice and guidance for all supplied software products including application packages, system software, DBMS, middleware etc.

The Supplier shall ensure that sufficient resources (with respect to the number of personnel and such personnel's training, competence and experience) are available to provide the software support services at all

times. The resource available shall be of an appropriate skill level to minimize any impacts to the levels of service required by BOSS, covering knowledge of BOSS's business operations as well as expertise in the application software.

3. Provision of all patches and corrective, new and updated versions of all supplied software products which become available, including change management support for introducing them. Proposals should contain details of the methodology for supplying and implementing software upgrades during the life of the system, including measures to ensure that full training is provided on changes and enhancements as needed, and that business continuity is guaranteed during upgrades, additions or changes.
4. On-going implementation of changes if required/requested by BOSS. Bids should include the Bidder's proposed procedures for processing and implementing Change Requests, including the costs per person/hour or person/day for all categories of personnel who may be involved in the Change Request process. Such costs shall be fixed for the duration of the Warranty Period.

### 1.3. Extreme Situations

Proposers are requested to suggest procedures that can be invoked in the event of extreme emergency situations, for example a hurricane or extreme event which affects both the main IT processing center at BOSS's head office in Juba City and an alternative center which might (for example) be established in the Cloud.

### 1.4. Problem Management

The Supplier's support center will answer incoming telephone calls within two minutes and will check email not less frequently than every fifteen minutes.

All problems notified to the Supplier will have a priority assigned by BOSS that will define the severity and impact to BOSS's service levels with a resolution target and escalation framework to make sure the effects of the problems are restrained or minimized. Priority levels will be as follows:

1. **Priority 1:** A system component has failed in such a way that one or more critical elements of the system are unusable. The Supplier will provide appropriate support within fifteen minutes and provide a work-around or fix within two hours of receiving notification.



2. **Priority 2:** The service is severely impacted and performance is restricted. The Supplier will provide appropriate support within two hours and provide a work-around or fix within four hours of receiving notification.
3. **Priority 3:** The service is impacted and performance is reduced. The Supplier will supply a work around or fix within 24 hours of receiving notification.
4. **Priority 4:** The service may be impacted and performance can be reduced. Priority 4 problems will be supported during the Supplier's and BOSS's normal hours of business.

Details of problems logged with the Supplier, whether during the project, the System Warranty Period or under an on-going Service Level Agreement, should be easy for BOSS to follow up. Regular reporting should be a standard feature of the system and should include:

1. The number of service-disrupting incidents over any selected period by source of disruption and in total;
2. The number of non-services disrupting incidents reported over any selected period;
3. The time taken to restore normal service after each recorded service disruption.

Proposers should also explain how BOSS staff can monitor reported problems on a regular basis.

### 1.5. Performance Expectations

BOSS expects a very high level of reliability and availability of all its systems and the system will be particularly crucial in this respect.

BOSS's expectations of the overall system performance include:

1. There will be no more than a total of three software failures per annum, and no more than one in any single month. A software failure is defined as an event where a component of the application fails to respond to operator instructions and fails to perform its normal function, and requires to be manually restarted or fails to restart. In every case the time to recover from a failure shall be no more than 30 minutes.
2. In a situation where the system performance is degraded, this must not delay end of day processing by more than 30 minutes. There will be no more than one such incident per month or three per year.

3. BOSS's general availability expectation for this system is 99.95% (where downtime is defined as total unavailability of the system). Proposers are requested to give details of expected reliability and availability figures for the actual configuration (hardware, software etc.) they are proposing.

### **1.6. Post-Warranty Period**

During the Post-Warranty Period (five years from expiry of the Warranty Period), the Supplier will be required to continue to provide on-going services. These will be provided under a separate contract and Service Level Agreement (SLA) containing the same terms and conditions as in the Warranty Period.

## Implementation Schedule

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## A. IMPLEMENTATION SCHEDULE TABLE

*Must correspond to the illustrative implementation schedule included by bidders as part of this proposal (text contained in the table are an example to guide bidders).*

Line Item No.	Subsystem / Item	Configuration Table No.	Site / Site Code	Delivery (Bidder to specify in the Preliminary Project Plan)	Installation (weeks from Effective Date)	Acceptance (weeks from Effective Date)	Liquidated Damages Milestone
1	Inception Phase						
1.1	<ul style="list-style-type: none"> <li>Onsite workshop</li> <li>Develop and Deliver Draft Solution Specification and Project</li> <li>Review and Update Solution Specification and Project Plan</li> <li>Final Solution Specification Approval</li> </ul>					W1 to W8	
1.2	<ul style="list-style-type: none"> <li>Deliverable 001: Solution Specifications</li> <li>Deliverable 002: Project Charter</li> <li>Deliverable 003: Project Plan</li> </ul>						

Line Item No.	Subsystem / Item	Configuration Table No.	Site / Site Code	Delivery (Bidder to specify in the Preliminary Project Plan)	Installation (weeks from Effective Date)	Acceptance (weeks from Effective Date)	Liquidated Damages Milestone
1.3	<ul style="list-style-type: none"> <li>Milestone 01: Acceptance of full system design specification</li> </ul>						
<b>2</b>	<b>Hardware Acquisition and Installation</b>						
2.1	Hardware enabled at cloud					W9 to W32	
2.2	Procurement of equipment and services					W9 to W32	
2.3	Install HW and communications at selected premises					W9 to W32	
3.4	HW and System Software Testing					W9 to W32	
3.5	Deliverable 004: System HW and base SW delivery report  Deliverable 005: System HW and base SW installation report						

Line Item No.	Subsystem / Item	Configuration Table No.	Site / Site Code	Delivery (Bidder to specify in the Preliminary Project Plan)	Installation (weeks from Effective Date)	Acceptance (weeks from Effective Date)	Liquidated Damages Milestone
3.6	Milestone 02: HW and base SW Delivery Milestone 03: HW and base SW Acceptance						

B. SITE TABLE(S)

Site	Office	Remarks
Head Office	Juba	

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**C. TABLE OF HOLIDAYS AND OTHER NON-WORKING DAYS**

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Month	2023	2024	2025
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			



## System Inventory Tables

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*Warranty Period* 261

## SYSTEM INVENTORY TABLE (SUPPLY AND INSTALLATION COST ITEMS)

No.	Component	Relevant Technical Specifications No.	Additional Site Information (e.g., building, floor, department, etc.)	Quantity
1	Servers and all accompanying components			
1.1	Storage devices and all accompanying components			
1.2	Backup appliances and all accompanying components			
1.3	Workstations and all accompanying components			
1.4	Active devices (routers, switches, network security devices, firewalls) for BOSS LAN and all accompanying components			
1.5	Peripheral devices (printers, scanners etc) and all accompanying components for BOSS and target participating Commercial Banks			
1.6	Tokens as applicable			
1.7	Any other mandatory components based on bidders proposed solution			
2	Cloud services			
2.1	Database enterprise edition managed service			
2.2	Application VM servers			
2.3	Backup for VM application and database including object storage			
2.4	VPN connectivity and traffic for BOSS and target			

No.	Component	Relevant Technical Specifications No.	Additional Site Information (e.g., building, floor, department, etc.)	Quantity
	participating Commercial Banks			
2.5	Software licenses for the entire ATS+ / CSD ecosystem as proposed by bidders			
2.6	Software licenses for all information security as proposed by bidders			
2.7	Software licenses for any other software as proposed by bidders			
2.8	Implementation services and professional fees including reimbursable costs			



### SYSTEM INVENTORY TABLE (RECURRENT COST ITEMS)

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Component No.	Component	Relevant Technical Specifications No.	Y1	Y2	Y3
1	Warranty period				
2.	Post warranty period Hardware AMC & licensing Software AMC & licensing Cloud AMC & licensing		all items, all sites, included in the Supply and Install Price	all items, all sites, included in the Supply and Install Price	all items, all sites, included in the Supply and Install Price



## BACKGROUND AND INFORMATIONAL MATERIALS

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## Background and Informational Materials

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### A. BACKGROUND

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#### 1. Introduction and Background

##### 1.1. South Sudan

South Sudan, officially known as the Republic of South Sudan, is a landlocked country in east/central Africa. It is bordered by Ethiopia, Sudan, Central African Republic, Democratic Republic of the Congo, Uganda and Kenya. Its population was estimated as 12,778,250 in 2019. Juba is the capital and largest city.

The country has vast oil wealth and considerable access to development assistance. It boasts of rich biodiversity which includes lush savannas, swamplands, and rainforests that are home to many species of wildlife.

On the economic front, strengthening service delivery institutions, governance, economic, and public financial management systems will prove critical as the country seeks to build resilience to economic shocks, providing building blocks for an inclusive and sustainable growth path.

##### 1.2. National Payments System Development Program

The banking sector in South Sudan is represented by the Bank of South Sudan (BSS), twenty-eight (28) commercial banks and their branches.

The primary objective of the NPS project is to modernize the payment systems in South Sudan in order to enhance the performance of their financial systems and promote regional integration. In this regard, the project will assist the South Sudan to develop and harmonize the payment systems with others in the five-member countries of the EAC community, thereby facilitating the process leading up to the launch of a monetary union in the Zone and stimulate increased economic and trade relations in the region.

The improvement of the payment systems in South Sudan would also meet important national objectives. For South Sudan, the development of RTGS and the other components of the project will improve the efficiency of financial intermediation, enhance the management of systemic risks, and improve liquidity management,



monetary policy implementation, and the general deepening of their financial sector. At the time the EAC-Payment and Settlement Systems Integration Project (EAC-PISSP) was designed in 2012, the South Sudan was not a member of the EAC. South Sudan was admitted as a full Member of the EAC on 1st October 2016, the proposed project aims to extend the implementation of the EAC-PSSIP to the country.

Participation in the East African Payment System (EAPS) is a requirement for membership, in addition, implementation of a functional and interoperable RTGS system is necessary for participation in the EAPS.

Further, standardizing payments system in South Sudan will help to improve the country's general economic efficiency, by increasing the use of non-cash instruments as mediums of settling transactions, and by enhancing South Sudan's confidence in the banking system.

Implementation of the ATS+ comprises of three components (RTGS, ACH and CSD) for Bank of South Sudan (BSS) and shall consider international best practices, international Messaging Standards and deliver ability to use delimited plain text files, CSV files, Excel files or XML files (e.g., the ISO 20022 files) to transmit payment instructions. Any of these file formats' can be adopted by the Republic of South Sudan.

As the first major step in implementing the NPS Development Programme, BOSS will establish a highly integrated national payments processing system which will:

- (i) Provide a solid and efficient foundation for the development of a range of innovative payment systems and services;
- (ii) Accelerate the move towards electronic payment instruments and reduce the systemic importance of cash and cheques;
- (iii) Reduce risk in the financial system;
- (iv) Support BOSS liquidity management activities;
- (v) Support the development of an active market in government securities; and;
- (vi) Promote efficiency and convenience, and foster trust, in the NPS for both individual and institutional users.

The system will have two main components, as described in the following paragraphs, namely an Automated Transfer System (ATS+) and a Central Securities Depository (CSD). The two components will be closely coupled for the purposes of:

- Supporting the process of intraday liquidity management in the ATS+ and;
- Enabling Delivery versus Payment (DvP) for transactions in Government securities.

The ATS+ and CSD together will be the focal point of the NPS of South Sudan and will conform with current best practice and international principles and recommendations, particularly the CPSS-IOSCO *Principles for Financial Market Infrastructures*<sup>17</sup>.

### 1.3. Automated Transfer System (ATS+)

At present, there is no automated interbank clearing and settlement system in the Republic of South Sudan. Settlement of all interbank payments, including high-value, involves physical exchange of paper cheques. To address this, and to mitigate systemic risk in the financial system, BOSS wishes to put in place an appropriate electronic system for clearing and settling large-value and time-critical payments.

In addition, the current system for retail payments is inefficient and does not provide a satisfactory level of functionality and service to the South Sudan payments community.

BOSS therefore intends to acquire and implement a modern Automated Transfer System (ATS+). The ATS+ will provide functionality for clearing and settling all electronic interbank payments, both high and low value, within one integrated software package. It will have three main functions:

- (i) A **real-time gross settlement** (RTGS) function for large value and time critical payments, including settlement of transactions in securities and net interbank positions arising from the operation of external clearing houses; and
- (ii) An **automated clearing house** (ACH) function, which will provide clearing and netting facilities for a full range of retail electronic instruments including direct debits, direct credits and electronic cheque records.
- (iii) An **instant funds transfer** (IFT) function which will enable retail-level customer-to-customer payments to be made between customers of different banks in real time, with deferred settlement, while settlement risk will be managed via debit caps applied to participant banks.

All three functions will be tightly-integrated within one system so as to ensure seamless clearing and settlement of all domestic interbank payments on a same-day basis with finality and irrevocability.

The ATS+ will be interfaced to in-house core banking systems (CBS) operated by commercial banks, to enable fully automated straight-through processing (STP). Within BOSS it will be integrated with BOSS's accounting and financial management

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<sup>17</sup> Available at <http://www.bis.org/publ/cpss101.htm>

system and with the Central Securities Depository (CSD) system which is also part of this procurement and is described below.

The ATS+ will also support interfaces to systems operated by agencies of the Government of South Sudan (GOSS), including the Accountant General's Office of the Ministry of Finance, the Income Tax Department, the National Revenue Authority and the Customs and Excise Department.

#### **1.4. Central Securities Depository**

In addition to the ATS+, BOSS intends to procure a CSD which will act as a depository for all securities issued by the Government of South Sudan (GOSS).

The CSD must include an integrated primary trading (auction) module and an application (tightly linked with the RTGS function of the ATS+) for the settlement of securities transactions, following the principle of Delivery versus Payment (DvP).

In addition, BOSS will be able to stimulate the development of a secondary market in securities. The CSD will therefore also optionally include a secondary market trading module.

### **2. Institutional and Market Structure**

#### **2.1. Bank of South Sudan (BOSS)**

BOSS was Established in July 2011, by an Act of Parliament (The Bank of South Sudan Act, 2011) with the objective of fostering price and financial stability. BOSS's functions include;

- (i) To function as the Central Bank of South Sudan.
- (ii) To establish and supervise conventional banking services in South Sudan including licenses to financial institutions according to rules and regulations issued by the board of directors.
- (iii) To manage the conventional banking system in South Sudan according to prevailing rules, regulation and policies.
- (iv) To act as the bank to the Government of South Sudan, as an adviser and agent thereof in monetary and financial affairs.
- (v) To exercise the power and supervisory authority so conferred, in a manner consistent with the ordinances and regulations stipulated in the laws that govern the bank.
- (vi) Supervising and regulating Commercial Banks in South Sudan.

Each commercial bank has a settlement account, designated the Deposit Account, at BOSS, in which it is also required to maintain a minimum cash reserve requirement (CRR), which, as of April 2021, was 18%.

## **2.2. Banking Sector**

Currently, there are thirty (30) Commercial Banks in South Sudan. They are:

1. African National Bank
2. Afriland First Bank South Sudan
3. Agricultural Bank of South Sudan
4. Buffalo Commercial Bank
5. Charter One Bank South Sudan
6. Commercial Bank of Ethiopia (South Sudan)
7. Cooperative Bank of South Sudan
8. Ecobank South Sudan
9. Eden Commercial Bank
10. Equity Bank South Sudan Limited
11. International Commercial Bank
12. Ivory Bank
13. KCB Bank South Sudan Limited
14. Kush Bank Plc
15. Liberty Commercial Bank
16. Mountain Trade and Development Bank
17. National Credit Bank
18. Nile Commercial Bank
19. Opportunity Bank South Sudan
20. Southern Rock Bank
21. People's Bank Plc
22. Phoenix Commercial Bank
23. Qatar National Bank
24. Regent African Bank
25. Royal Express Bank
26. South Sudan Commercial Bank
27. Stanbic Bank South Sudan Limited
28. Alpha Commercial Bank
29. Ebony National Bank
30. St. Theresa Rural Development Bank

The Commercial Banks are the main providers of payment services in South Sudan.

### **2.3. MSME / Ag finance (micro, small, and medium enterprise and Agriculture Finance)**

The South Sudan NPS Vision and Strategic Framework points out under its section 2.7 (47) that financing of micro, small, and medium enterprise and Agriculture is out of scope for the NPS-project, but it is obvious that financing is required and the South Sudan government must develop a partnership with possible investors and donors around the World.

### **2.4. Non-Bank Financial Sector**

- *MSME / Ag finance (micro, small, and medium enterprise and Agriculture Finance)*

The South Sudan NPS Vision and Strategic Framework points out under its section 2.7 (47) that financing of micro, small, and medium enterprise and Agriculture is out of scope for the NPS-project, but it is obvious that financing is required and the South Sudan government must develop a partnership with possible investors and donors around the World.

- *Savings / pensions (4)*

Savings and pensions are out of scope for the NPS-project, but given the level of poverty and low level of financial inclusion in South Sudan saving, it may be advisable for the government to implement a Central Provident Fund (CPF<sup>18</sup>), ie the system which enabled Singapore to become the nation with the highest level of savings in the World.

## **3. Distribution Channels and Payment Capabilities**

Referencing the South Sudan NPS Vision and Strategic Framework, it is cited that Based on the African Development Bank research of National NFIS strategies from 34 countries the policy areas of concern are prioritised as follows:

### **3.1. Channels**

- Agents – the Bank of South Sudan, Electronic Money Regulation of December 2017 already supports agents of all e-money service provider including MNO Agents and Bank agents and future agent categories.

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<sup>18</sup> <https://www.biposervice.com/wp-content/uploads/2018/01/An-Overview-of-Singapores-Social-Security-System.pdf>

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- Branches – as pointed out in the stock take report the number of bank branches in South Sudan is well below World Wide average, the banks must be encouraged to establish more bank branches and support Transformational Branchless banking.
  - Transformational branchless banking<sup>19</sup> – The NPS must support transformational branchless banking including provision of information and communication technologies (ICTs) and nonbank retail channels to reduce costs of delivering financial services to clients beyond the reach of traditional banking. It is imperative that the NPS incorporates measures which extends to customers who could never be reached profitably with traditional branch-based financial services.
  - QR Codes – Provides a very cost-effective alternative to Card based transactions as QR code-initiated transactions do not require any intermediaries, investment in Point of Sales (POS) or ATM terminals and QR Code initiated transactions do not attract any Merchant Discount Rate (MDR) based Merchant Discount Fee (MDF). All card transactions attract MDR as illustrated in Figure 4 below.
  - Mobile phones – have emerged as the most important driver for mobile money and Digital Financial services ie mobile phones have become the most powerful vehicle for achieving financial inclusion. The average mobile phone penetration World Wide is 66.6%, in the countries neighboring South Sudan mobile phone ownership exceeds 100%. in South Sudan the number of mobile phones as a percentage of the population is 23.1%. As mentioned above mobile phone ownership must be included and prioritized in the capacity building program. It is recommended that a mobile phone distribution program is implemented.

In terms of the NPS this implies that the components of the NPS infrastructure must support these capabilities.

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<sup>19</sup> Transformational Branchless Banking the use of information and communication technologies (ICTs) and nonbank retail channels to reduce costs of delivering financial services to clients beyond the reach of traditional banking. Branchless banking can be either additive or transformational. It is additive when it merely adds to the range of choices or enhances the convenience of existing customers of mainstream financial institutions; it is transformational when it extends to customers who could never be reached profitably with traditional branch-based financial services.

### 3.2. Payments

The NPS Vision and Strategic Framework propagates that the NPS must be designed to be future proof, and allow for integration of emerging digital payments and innovative payment products and Use Cases.

Digital payments and innovative payment products are all based on 24x7x365 processing in today's connected World people will inevitably demand the ability to make Peer to Peer Payments, Merchant Payments and online payments anytime and anywhere.

Due to the COVID 19 Pandemic the nature of payment systems has changed as people are avoiding physical contact i.e. contactless payments are becoming the new normal.

In South Sudan the immediate requirements for digital payments and innovative payment products and Use Cases relates to creating interoperability between existing and emerging Payment Services Providers (PSP).

Immediate digital payments to be supported in South Sudan are:

- Instant Credit Transfers
- Instant Request to Pay
- Confirmation of Payee (COP)
- Mule Insights Tactical Solution (MITS)<sup>20</sup>
- Interoperability between PSP including Banks and Mobile Financial Services e.g., Zain's m-GURUSH and MTN's planned Digital Financial services supporting use cases including, but not limited to:
  - Over the Air (OTA) enrolment<sup>21</sup> to payment systems
  - Interoperable mobile money use-cases including Peer to Peer off-net<sup>22</sup> (not-on-us Payments) between two Mobile Money systems eg m-GURUSH and MTN's Digital Financial Services
  - Interoperable mobile money to bank account use-cases including in Peer to Peer, Merchant Payments and on-line payments

<sup>20</sup> An anti-money laundering technology enabling suspicious payments to be tracked as they move between bank and building society accounts regardless of whether the payment amount is split between multiple accounts, or those accounts belong to the same or different financial institutions.

MITS alerts financial institutions to suspect money laundering accounts within their own four walls, so they can act to avoid potential losses, fines and reputational risk. The technology also enables institutions to work together at industry level to shut down mule networks, disrupting fraud and money laundering, which amounts to millions of pounds annually.

<sup>21</sup> OTA or Over the Air Enrolment is the process of signing up for a digital financial service without the need for physical contact between the person enrolling to the service providers representatives. The process of over-the-air enrolment and configuration is divided into three phases: authentication, enrolment, and device configuration. OTA enrolment is relying on digital Identity services any documentation which can be verified on-line.

<sup>22</sup> The terms 'On-Net' and 'Off-Net' are used to describe telecoms transactions (call or messaging or mobile payments) types. 'On-Net' is used when a transaction originates on a subscriber's home operator's network and terminates to another mobile number that resides with the subscriber's operator. 'Off-Net' applies when the transaction is made on a different network, eg whilst subscribers are roaming, or if subscribers are using their home network and make a transaction to a number that resides with a different network provider.

The terms are similar to the terms on-us and off-us payments used in the context of Electronic Funds Transfer domain.

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- Interoperable QR Code initiated payments use-cases including in Peer to Peer, Merchant Payments and on-line payments

Support for future innovative emerging payment types to be supported by the NPS:

- Lending at the point of sale or at the point of checkout<sup>23</sup>
- Buy now, pay later<sup>24</sup>
- Don't pay, walk out<sup>25</sup>
- Order as authorization<sup>26</sup>
- NFC<sup>27</sup> Peer to Peer Payments
- Omni-channel payments<sup>28</sup>
- In-app payments, in-store
- Mobile Financial Services Driven Savings and Loans
- Payments using Facial Recognition
- Contextual Revenue and Nudge Theory based payments
- Contextual design (CD) initiated payments
- Contextual Spatial computing Integration into payments

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<sup>23</sup> Lending at the point of sale or at the point of checkout is a service that has been around for decades but is now finding a new beginning in the digital world. It offers customers greater flexibility and empowers them to decide how they pay for their purchases.

<sup>24</sup> Buy now, pay later is a financing arrangement that allows consumers to make purchases without paying for them all at once. There are a number of companies, including Klarna and Affirm, that offer buy now, pay later financing on purchases made from participating merchants. PayPal has introduced its own point of sale instalment loan program.

<sup>25</sup> The futuristic shop has no tills and customers walk out without paying before being sent a bill at home. How it works: Shoppers scan a QR code and then place their wanted items in their bag - with surveillance technology keeping track of what they decide to buy and what they place back on the shelves.

Anything a customer takes off the shelf is automatically added to their virtual cart.

Instead of handheld scanners, the 'Just Walk Out' camera technology calculates each shopper's bill, which is then emailed to them once they've left.

<sup>26</sup> Used by "Geek Technology Vendors" (Über, Deliveroo, Careem, Grab). When one place an order, the order creates an "authorization hold". Authorization holds are a way for the vendor to confirm the charges and ensure that the funds are available at successfully completion of the transaction.

<sup>27</sup> Near Field Communication - is a short-range high frequency wireless communication technology which enables the exchange of data between devices over about a 10-centimetre (around 4 inches) distance. The technology is a simple extension of the ISO/IEC 14443 proximity-card standard (proximity card, RFID) that combines the interface of a smartcard and a reader into a single device. An NFC device can communicate with both existing ISO/IEC 14443 smartcards and readers, as well as with other NFC devices, and is thereby compatible with existing contactless infrastructure already in use for public transportation and payment. NFC is primarily aimed at usage in mobile phones.

<sup>28</sup> Omni-channel defined as a multichannel sales approach that provides the customer with an integrated shopping experience. The customer can be shopping online from a desktop or mobile device, or by telephone, or in a bricks and mortar store and the experience would be seamless.



### 3.3. Clearing and Settlement

As cited in the NPS Vision and Strategic Framework document, the volume of cheques is relatively small at less than 300 cheques per day, split as follows 47 Interbank and 232 on-us Cheques. Consequently, Cheque Code-line Standard, adoption by all cheque issuing institutions in South Sudan is a prerequisite for successful implementation of image-based cheque truncation.

BOSS currently operates a manual clearinghouse which has two streams: one for South Sudanese Pounds (SSP) and one for USD cheques. A clearinghouse is currently operated in three of the four locations where BOSS branches are domiciled. Including the Central Bank, there are 24, 6 and 5 participants in the clearinghouse in Juba, Wau and Yei respectively. Cheques are exchanged bilaterally among the banks in Malakal as the central bank does not currently supervise clearing in this location.

The manual clearing system requires the physical presentment and exchange of cheques among participant banks at the clearing session each morning. Each member exchanges a listing along with the cheques for each bank. Once the amounts are agreed among the banks, the BOSS officer verifies the lists, performs the multilateral netting and posts the balances to the respective operating account of each commercial bank. After the clearing, items identified for return are exchanged at the next clearing session in the afternoon. The recourse period for cheques is three business days and unpaid items are returned within two working days in practice. The small number of cheques negotiated in locales not served by the four central bank branches generally require up to 7 business days for clearing as they are routed to the banks' head offices and presented to the clearing house in Juba.

Modern cheque imaging and capture scanners are relatively low cost and high volume. The smaller cheque scanners process 200 plus cheques per hour i.e., in theory all the cheques processed in South Sudan could be processed in a single cheque scanner.

The distributed nature of the current cheque clearing process removes the issue of transportation, it is therefore recommended that the current cheque clearing centres in Juba, Wau, Yei are upgraded to incorporate networked cheque imaging and truncation facilities and that a cheque imaging and truncation facility is established in Malakal.

It is proposed that each of the cheque imaging and truncation facilities in Juba, Wau, Yei and Malakal are equipped with a modern cheque scanner and that the cheque scanners are integrated into a central Electronic Cheque Clearing system at BSS.

The retention of the current cheque clearing centres would eliminate the need for the individual banks to acquire cheque scanners.

In ECCS Systems around the World where Wages Protection Systems (WPS<sup>29</sup>) are deployed, the ECCS systems will process on-us cheques and credit transfers to ensure that all wage payments are detected and that the WPS is updated accordingly.

It has not been possible to establish which banks process the highest volume of on-us cheques, but if specific banks are processing high volumes of on-us cheques it may be justifiable for such banks to purchase their own cheque scanners or indeed run the on-us cheques through the regional cheque imaging and truncation facilities.

The cheque imaging and truncation facilities must incorporate the following cheque imaging and truncation equipment:

- Cheque Scanners (one unit for daily processing and one spare unit)
- Cheque scanner and cheque capture workstations (two) connected to the cheque scanners and to the central ECCS system through the South Sudan Banking Network (High Availability and Resilient South Sudan Bank Network)
- The workstations must be equipped with Cheque scanner interfaces and cheque capture software
- The main functionality of the cheque capture software must be:
  - Obtain images and code line data from the cheque scanner
  - Display the cheque images (Front and back) for the operator to capture the details of the Payee (name and account number)
  - Sort cheques in batches by briefing bank
  - Compress and Digitally sign Electronic Cheque Presentment (ECP) Files
  - Send the signed files including the cheque images and data to the central ECCS at BSS in Juba.

### 3.4. Central Securities Depository System (CSD)

According to the NPS Vision and Strategic Framework, the current CSD is in place but has not been utilised as intended. Prioritization of the CSD in the current environment runs counter to the broader strategic objective of safety and efficiency especially given the underdevelopment of the infrastructure, the weak institutional capacity and the

<sup>29</sup> Wage Protection System (WPS) is an electronic salary transfer system that allows institutions to pay workers' wages via banks, bureaux de change, and financial institutions approved and authorized to provide the service.

A WPS must allow for transparency in salary payment to workers including foreign workers, and thus addresses the issue of non or delayed payment of salaries to (foreign) workers.

In the event that the company fails to enrol in the WPS with the country's authorities or does not transfer the wages on time as specified in the law, it will be denied new work permits until all outstanding payments have been settled. In addition, companies that delay payment of wages for an extensive period will be denied the right to have new work permits, along with all the institutions belonging to the owner of the violating institution, and all those responsible for violations will be referred to the court, in accordance with appropriate laws.

scarcity of financial resources within the country. South Sudan lacks an interbank money market, the issue of Government securities is infrequent, there is no secondary market and no supporting infrastructure for the trading, use or settlement of these securities.

The full benefits of the CSD – beyond its custody and registry functions – are not likely to be realized in the near term. Several important implementation issues still need to be resolved.

### 3.5. Equities

There is no equities market in South Sudan at the present time.

## 4. Government Payment Flows

As in most countries the GOSS Ministry of Finance / Accountant Generals Office will be among the largest players in the NPS, actively adopting the electronic payment mechanisms being offered by commercial banks.

### 4.1. Payments made by GOSS

The GOSS will probably be the largest user of credit transfers which are used for both salary payments and payments to vendors and suppliers. At present, in the absence of an electronic interbank clearing system, the MDA's hold accounts at BOSS and with commercial banks to support its credit transfer operations.

The AG's Office does not maintain a TSA account at BOSS however, there are ongoing efforts to implement TSA and move all MDA accounts and transactions into the TSA. Consequently, there is currently no consolidation of revenue collections or payments relating to the AG's Office that takes place in a BOSS held TSA.

BOSS maintains a number of accounts for its customers which are categorized as follows:

Group	Particular	No. of Accounts	BOSS Location
GM1	Ministries (Civil Sector)	70	Juba
GVT	Ministries of Organized Forces	222	Juba
LGA	States	257	Juba
OAC	Established by Degree of Resolution	246	Juba
DOB	Commercial Banks	58	Juba
FCH	Forex Bureaus	204	Juba

BOSS processes the following four types of payments and offers other services;

1. Cash withdrawals
2. Funds transfer / Deposit
3. Clearing through clearing house
4. Swift

Currently instructions are received via local proprietary cheques or hard copy instructions from BOSS customers including GOSS MDAs for onward processing and clearing.

#### **4.2. Revenue Collection**

Currently, tax and other GOSS revenues are collected in cash or through cheques and deposited into accounts held at BOSS or Commercial Banks. Deposit made at commercial banks are transferred within 2 working days to BOSS.

A National Revenue Authority has been established and operates a web-based i-tax system for domestic taxes and the AYSCUDA regional system for customs and excise.

Once the ATS+ is introduced it is standard practice that mechanisms will be introduced for these payments to enable taxpayers to make electronic tax payments via their banks which will transmit them to the ATS+ for clearing and settlement. The ATS+ will forward details of payments received to the appropriate system for automated updating of taxpayer records.

#### **4.3. Government Integrated Cashiering System (GICS)**

There is currently no GICS in place in South Sudan.

## 5. The Existing Environment

### 5.1. Accounting and Financial Management

The NPS Vision and Strategic Framework document cites that the Core Banking system currently in use by BOSS supports centralized liquidity and account management across branch networks. The system should obviate the need for 'BOSS customers to maintain multiple accounts as is now the case. The core banking system must be interfaced with the proposed Real Time Gross Settlement system to achieve seamless, real-time update of the Bank's general ledger as customer transactions are processed.

The lack of effective tools for the management of liquidity and settlement risk and the lack of an efficient communication system that allows for electronic data exchange between BOSS and Commercial Banks and facilitates straight-through processing (STP) are areas of weakness.

The Core Banking system was originally developed by the System Access company. System Access was acquired by SunGard in October 2006. SunGard was subsequently in November 30, 2015 acquired by FIS. FIS is a Fortune 500® company which has grown by acquisition to a major international software system provider. It is not clear if FIS still supports Core Banking system. From assessment of the FIS web site Core Banking system is not a current FIS product implying that the system is no longer supported.

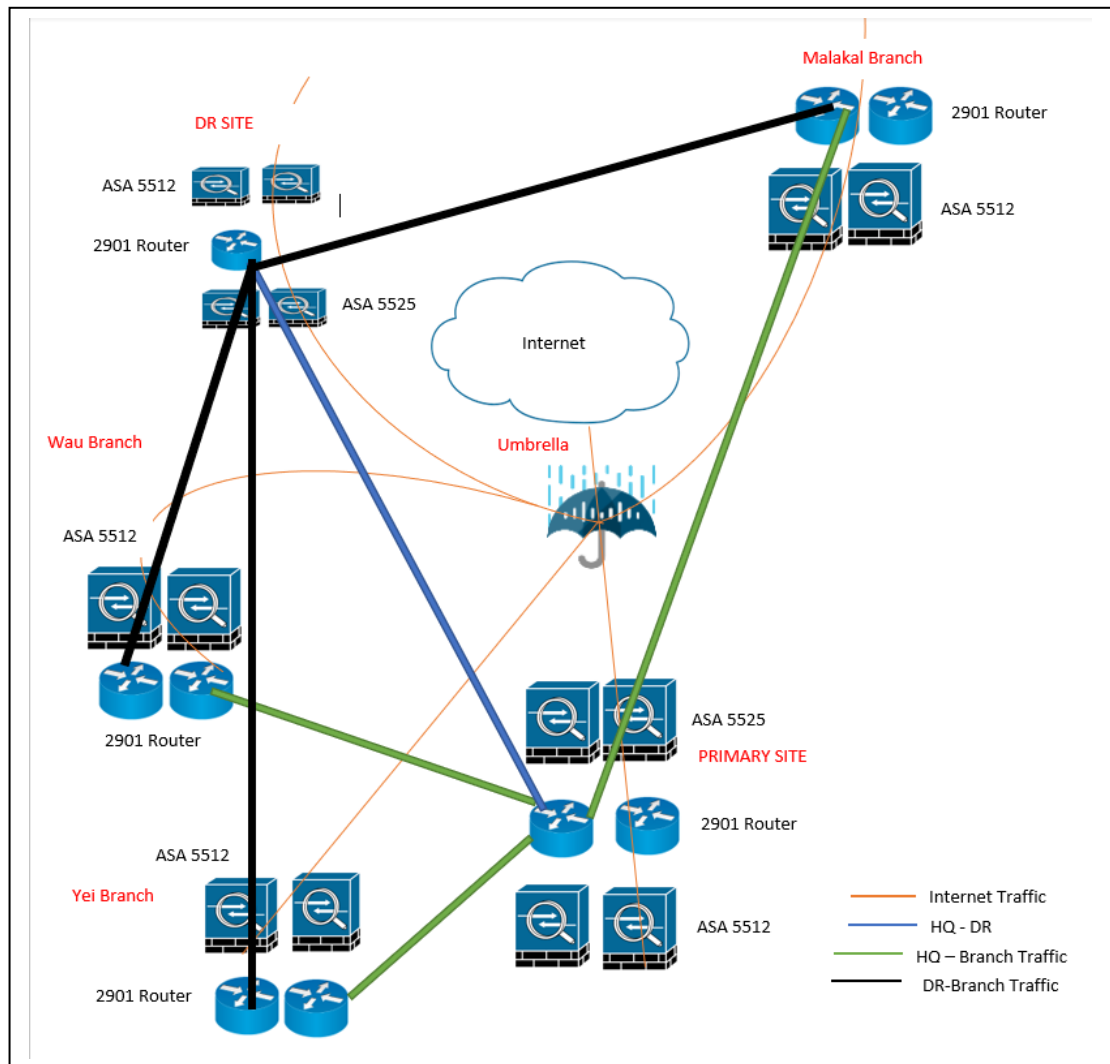
Pending further investigations and research the Core Banking system may need to be replaced. If the result of the investigations is that the Core Banking system is inadequate it is likely that BOSS would have to replace the system and that an integrated Core Banking and Enterprise Resource Planning (ERP<sup>30</sup>) system would be the optimal replacement.

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<sup>30</sup> Enterprise resource planning (ERP) is a process used by companies to manage and integrate the important parts of their businesses. Many ERP software applications are important to companies because they help them implement resource planning by integrating all of the processes needed to run their companies with a single system. An ERP software system can also integrate planning, purchasing inventory, sales, marketing, finance, human resources, and more.

## 5.2. ICT Environment

The current ICT environment at BOSS is depicted in the diagram below.



## Part 3: Contract

### Section VIII - General Conditions of Contract

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# General Conditions of Contract

## A. CONTRACT AND INTERPRETATION

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### 1. Definitions

- 1.1 In this Contract, the following terms shall be interpreted as indicated below.
- (a) contract elements
    - (i) "Bank" means the financing institution named in the Special Conditions of Contract (SCC).
    - (ii) "Borrower" means the entity named as the Borrower in the SCC.
    - (iii) "Contract" means the Contract Agreement entered into between the Purchaser and the Supplier, together with the Contract Documents referred to therein. The Contract Agreement and the Contract Documents shall constitute the Contract, and the term "the Contract" shall in all such documents be construed accordingly.
    - (iv) "Contract Documents" means the documents listed in the Contract Agreement, including any amendments thereto.
    - (v) "Contract Agreement" means the agreement entered into between the Purchaser and the Supplier using the form of Contract Agreement contained in the Sample Contractual Forms Section of the bidding documents and any modifications to this form agreed to by the Purchaser and the Supplier. The date of the Contract Agreement shall be recorded in the signed form.
    - (vi) "GCC" means the General Conditions of Contract.
    - (vii) "SCC" means the Special Conditions of Contract.
    - (viii) "Technical Requirements" means the Technical Requirements in Section VII of the bidding documents.
    - (ix) "Implementation Schedule" means the Implementation Schedule in Section VII of the bidding documents.
    - (x) "Contract Price" means the price or prices defined in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.
    - (xi) Bank Procurement Framework is defined as Procurement Framework for Goods, Works, Non-Consulting and Consulting Services under "Bank Financing" as defined under Procurement Policy for Bank Group funded operations.
    - (xii) "bidding documents" refers to the collection of documents issued by the Purchaser to instruct and

inform potential suppliers of the processes for bidding, selection of the winning bid, and Contract formation, as well as the contractual conditions governing the relationship between the Purchaser and the Supplier. The General and Special Conditions of Contract, the Technical Requirements, and all other documents included in the bidding documents reflect the Procurement Regulations that the Purchaser is obligated to follow during procurement and administration of this Contract.

- (xiii) "Sexual Exploitation and Abuse" "(SEA)" and "Sexual Harrassment" "(SH)" means the following:

Sexual Exploitation is defined as any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.

Sexual Abuse is defined as the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.

"Sexual Harrassment" "(SH)" is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature by the Supplier's Personnel with other Supplier's, Subcontractors' or Purchaser's personnel

- (xiv) "Bid" means the Letter of Bid and all other documents which the Supplier submitted with the Letter of Bid, as included in the Contract.
- (xv) "Letter of Bid" means the document entitled letter of bid, which was completed by the Supplier and includes the signed offer to the Purchaser for the Information System.
- (xvi) "Specification" means the document entitled specification, as included in the Contract, and any additions and modifications to the specification in accordance with the Contract. Such document specifies the Information System.

- (b) entities

- (i) “Purchaser” means the entity purchasing the Information System, as **specified in the SCC**.
- (ii) “Purchaser’s Personnel” means all staff, labor and other employees of the Project Manager and of the Purchaser engaged in fulfilling the Purchaser’s obligations under the Contract; and any other personnel identified as Purchaser’s Personnel, by a notice from the Purchaser to the Supplier;
- (iii) “Project Manager” means the person **named as such in the SCC** or otherwise appointed by the Purchaser in the manner provided in GCC Clause 18.1 (Project Manager) to perform the duties delegated by the Purchaser.
- (iv) “Supplier” means the firm (the person, private or government entity) or a combination of the above (Joint Venture) whose bid to perform the Contract has been accepted by the Purchaser and is named as such in the Contract Agreement.
- (v) “Supplier’s Representative” means any person **nominated** by the Supplier and named as such in the Contract Agreement or otherwise approved by the Purchaser in the manner provided in GCC Clause 18.2 (Supplier’s Representative) to perform the duties delegated by the Supplier.
- (vi) “Supplier’s Personnel” means all personnel whom the Supplier utilizes in the execution of the Contract, including the staff, labor and other employees of the Supplier and each Subcontractor; and any other personnel assisting the Supplier in the execution of the Contract;
- (vii) “Subcontractor” means any firm to whom any of the obligations of the Supplier, including preparation of any design or supply of any Information Technologies or other Information system or Services, is subcontracted directly or indirectly by the Supplier.
- (viii) “Adjudicator” means the person named in Appendix 2 of the Contract Agreement, **appointed** by agreement between the Purchaser and the Supplier to make a decision on or to settle any dispute between the Purchaser and the Supplier referred to him or her by the parties, pursuant to GCC Clause 43.1 (Adjudication).

## (c) scope

- (i) "Information System," also called "the System," means all the Information Technologies, Materials, and other Goods to be supplied, installed, integrated, and made operational (exclusive of the Supplier's Equipment), together with the Services to be carried out by the Supplier under the Contract.
- (ii) "Subsystem" means any subset of the System identified as such in the Contract that may be supplied, installed, tested, and commissioned individually before Commissioning of the entire System.
- (iii) "Information Technologies" means all information processing and communications-related hardware, Software, supplies, and consumable items that the Supplier is required to supply and install under the Contract.
- (iv) "Goods" means all equipment, machinery, furnishings, Materials, and other tangible items that the Supplier is required to supply or supply and install under the Contract, including, without limitation, the Information Technologies and Materials, but excluding the Supplier's Equipment.
- (v) "Services" means all technical, logistical, management, and any other Services to be provided by the Supplier under the Contract to supply, install, customize, integrate, and make operational the System. Such Services may include, but are not restricted to, activity management and quality assurance, design, development, customization, documentation, transportation, insurance, inspection, expediting, site preparation, installation, integration, training, data migration, Pre-commissioning, Commissioning, maintenance, and technical support.
- (vi) "The Project Plan" means the document to be developed by the Supplier and approved by the Purchaser, pursuant to GCC Clause 19, based on the requirements of the Contract and the Preliminary Project Plan included in the Supplier's bid. The "Agreed Project Plan" is the version of the Project Plan approved by the Purchaser, in accordance with GCC Clause 19.2. Should the Project Plan conflict with the Contract in any way, the relevant provisions of the Contract, including any amendments, shall prevail.

- (vii) "Software" means that part of the System which are instructions that cause information processing Subsystems to perform in a specific manner or execute specific operations.
- (viii) "System Software" means Software that provides the operating and management instructions for the underlying hardware and other components, and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Systems Software. Such System Software includes, but is not restricted to, micro-code embedded in hardware (i.e., "firmware"), operating systems, communications, system and network management, and utility software.
- (ix) "General-Purpose Software" means Software that supports general-purpose office and software development activities and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be General-Purpose Software. Such General-Purpose Software may include, but is not restricted to, word processing, spreadsheet, generic database management, and application development software.
- (x) "Application Software" means Software formulated to perform specific business or technical functions and interface with the business or technical users of the System and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Application Software.
- (xi) "Standard Software" means Software identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Standard Software.
- (xii) "Custom Software" means Software identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Custom Software.
- (xiii) "Source Code" means the database structures, dictionaries, definitions, program source files, and any other symbolic representations necessary for the compilation, execution, and subsequent maintenance of the Software (typically, but not exclusively, required for Custom Software).

- (xiv) "Materials" means all documentation in printed or printable form and all instructional and informational aides in any form (including audio, video, and text) and on any medium, provided to the Purchaser under the Contract.
  - (xv) "Standard Materials" means all Materials not specified as Custom Materials.
  - (xvi) "Custom Materials" means Materials developed by the Supplier at the Purchaser's expense under the Contract and identified as such in Appendix 5 of the Contract Agreement and such other Materials as the parties may agree in writing to be Custom Materials. Custom Materials includes Materials created from Standard Materials.
  - (xvii) "Intellectual Property Rights" means any and all copyright, moral rights, trademark, patent, and other intellectual and proprietary rights, title and interests worldwide, whether vested, contingent, or future, including without limitation all economic rights and all exclusive rights to reproduce, fix, adapt, modify, translate, create derivative works from, extract or re-utilize data from, manufacture, introduce into circulation, publish, distribute, sell, license, sublicense, transfer, rent, lease, transmit or provide access electronically, broadcast, display, enter into computer memory, or otherwise use any portion or copy, in whole or in part, in any form, directly or indirectly, or to authorize or assign others to do so.
  - (xviii) "Supplier's Equipment" means all equipment, tools, apparatus, or things of every kind required in or for installation, completion and maintenance of the System that are to be provided by the Supplier, but excluding the Information Technologies, or other items forming part of the System.
- (d) activities
- (i) "Delivery" means the transfer of the Goods from the Supplier to the Purchaser in accordance with the current edition Incoterms specified in the Contract.
  - (ii) "Installation" means that the System or a Subsystem as specified in the Contract is ready for Commissioning as provided in GCC Clause 26 (Installation).
  - (iii) "Pre-commissioning" means the testing, checking, and any other required activity that may be specified in the Technical Requirements that are to be carried out by the Supplier in

preparation for Commissioning of the System as provided in GCC Clause 26 (Installation).

- (iv) "Commissioning" means operation of the System or any Subsystem by the Supplier following Installation, which operation is to be carried out by the Supplier as provided in GCC Clause 27.1 (Commissioning), for the purpose of carrying out Operational Acceptance Test(s).
  - (v) "Operational Acceptance Tests" means the tests specified in the Technical Requirements and Agreed Project Plan to be carried out to ascertain whether the System, or a specified Subsystem, is able to attain the functional and performance requirements specified in the Technical Requirements and Agreed Project Plan, in accordance with the provisions of GCC Clause 27.2 (Operational Acceptance Test).
  - (vi) "Operational Acceptance" means the acceptance by the Purchaser of the System (or any Subsystem(s) where the Contract provides for acceptance of the System in parts), in accordance with GCC Clause 27.3 (Operational Acceptance).
  - (vii) "Completion" means the fulfillment of the Related Services by the Supplier in accordance with the terms and conditions set forth in the Contract
- (e) place and time
- (i) "Purchaser's Country" is the **country named in the SCC**.
  - (ii) "Supplier's Country" is the country in which the Supplier is legally organized, as named in the Contract Agreement.
  - (iii) **Unless otherwise specified in the SCC** "Project Site(s)" means the place(s) in the Site Table in the Technical Requirements Section for the supply and installation of the System.
  - (iv) "Eligible Country" means the countries and territories eligible for participation in procurements financed by the Bank as defined in the Procurement Framework.
  - (v) "Day" means calendar day of the Gregorian Calendar.
  - (vi) "Week" means seven (7) consecutive Days, beginning the day of the week as is customary in the Purchaser's Country.
  - (vii) "Month" means calendar month of the Gregorian Calendar.
  - (viii) "Year" means twelve (12) consecutive Months.
  - (ix) "Effective Date" means the date of fulfillment of all conditions specified in Article 3 (Effective Date for



Determining Time for Achieving Operational Acceptance) of the Contract Agreement, for the purpose of determining the Delivery, Installation, and Operational Acceptance dates for the System or Subsystem(s).

- (x) "Contract Period" is the time period during which this Contract governs the relations and obligations of the Purchaser and Supplier in relation to the System, as **unless otherwise specified in the SCC**, the Contract shall continue in force until the Information System and all the Services have been provided, unless the Contract is terminated earlier in accordance with the terms set out in the Contract.
- (xi) "Defect Liability Period" (also referred to as the "Warranty Period") means the period of validity of the warranties given by the Supplier commencing at date of the Operational Acceptance Certificate of the System or Subsystem(s), during which the Supplier is responsible for defects with respect to the System (or the relevant Subsystem[s]) as provided in GCC Clause 29 (Defect Liability).
- (xii) "The Coverage Period" means the Days of the Week and the hours of those Days during which maintenance, operational, and/or technical support services (if any) must be available.
- (xiii) "The Post-Warranty Services Period" means the number of years **defined in the SCC** (if any), following the expiration of the Warranty Period during which the Supplier may be obligated to provide Software licenses, maintenance, and/or technical support services for the System, either under this Contract or under separate contract(s).

## 2. Contract Documents

- 2.1 Subject to order of precedence set forth in the Contract Agreement, all documents forming part of the Contract (and all parts of these documents) are intended to be correlative, complementary, and mutually explanatory. The Contract shall be read as a whole.

## 3. Interpretation

- 3.1 Governing Language

- 3.1.1 **Unless otherwise specified in the SCC**, all Contract Documents and related correspondence exchanged between Purchaser and Supplier shall be written in the language of these bidding documents (English), and the

Contract shall be construed and interpreted in accordance with that language.

- 3.1.2 If any of the Contract Documents or related correspondence are prepared in a language other than the governing language under GCC Clause 3.1.1 above, the translation of such documents into the governing language shall prevail in matters of interpretation. The originating party, with respect to such documents shall bear the costs and risks of such translation.

### 3.2 Singular and Plural

The singular shall include the plural and the plural the singular, except where the context otherwise requires.

### 3.3 Headings

The headings and marginal notes in the GCC are included for ease of reference and shall neither constitute a part of the Contract nor affect its interpretation.

### 3.4 Persons

Words importing persons or parties shall include firms, corporations, and government entities.

### 3.5 Incoterms

Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by the Incoterms

Incoterms means international rules for interpreting trade terms published by the International Chamber of Commerce (latest edition), 38 Cours Albert 1<sup>er</sup>, 75008 Paris, France.

The terms EXW, CIP, FCA, CFR and other similar terms, when used, shall be governed by the rules prescribed in the current edition of Incoterms specified in the **SCC** and published by the International Chamber of Commerce in Paris, France

### 3.6 Entire Agreement

The Contract constitutes the entire agreement between the Purchaser and Supplier with respect to the subject matter of Contract and supersedes all communications, negotiations, and agreements (whether written or oral) of parties with respect to the subject matter of the Contract made prior to the date of Contract.

### 3.7 Amendment

No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party to the Contract.

### 3.8 Independent Supplier

The Supplier shall be an independent contractor performing the Contract. The Contract does not create any agency, partnership, joint venture, or other joint relationship between the parties to the Contract.

Subject to the provisions of the Contract, the Supplier shall be solely responsible for the manner in which the Contract is performed. All employees, representatives, or Subcontractors engaged by the Supplier in connection with the performance of the Contract shall be under the complete control of the Supplier and shall not be deemed to be employees of the Purchaser, and nothing contained in the Contract or in any subcontract awarded by the Supplier shall be construed to create any contractual relationship between any such employees, representatives, or Subcontractors and the Purchaser.

### 3.9 Joint Venture

If the Supplier is a Joint Venture of two or more firms, all such firms shall be jointly and severally bound to the Purchaser for the fulfillment of the provisions of the Contract and shall designate one of such firms to act as a leader with authority to bind the Joint Venture. The composition or constitution of the Joint Venture shall not be altered without the prior consent of the Purchaser.

### 3.10 No waiver

3.10.1 Subject to GCC Clause 3.10.2 below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contract or the granting of time by either party to the other shall prejudice, affect, or restrict the rights of that party under the Contract, nor shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

3.10.2 Any waiver of a party's rights, powers, or remedies under the Contract must be in writing, must be dated and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.

### 3.11 Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity, or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

### 3.12 Country of Origin

"Origin" means the place where the Information Technologies, Materials, and other Goods for the System were produced or from which the Services are supplied. Goods are produced when, through manufacturing, processing, Software development, or substantial and major assembly or integration of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components. The Origin of Goods and Services is distinct from the nationality of the Supplier and may be different.

## 4. Notices

4.1 Unless otherwise stated in the Contract, all notices to be given under the Contract shall be in writing and shall be sent, pursuant to GCC Clause 4.3 below, by personal delivery, airmail post, special courier, facsimile, electronic mail, or Electronic Data Interchange (EDI), with the following provisions.

4.1.1 Any notice sent by facsimile, electronic mail, or EDI shall be confirmed within two (2) days after dispatch by notice sent by airmail post or special courier, except as otherwise specified in the Contract.

4.1.2 Any notice sent by airmail post or special courier shall be deemed (in the absence of evidence of earlier receipt) to have been delivered ten (10) days after dispatch. In proving the fact of dispatch, it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped, and conveyed to the postal authorities or courier service for transmission by airmail or special courier.

4.1.3 Any notice delivered personally or sent by facsimile, electronic mail, or EDI shall be deemed to have been delivered on the date of its dispatch.

4.1.4 Either party may change its postal, facsimile, electronic mail, or EDI addresses for receipt of such notices by ten (10) days' notice to the other party in writing.

4.2 Notices shall be deemed to include any approvals, consents, instructions, orders, certificates, information and other communication to be given under the Contract.

4.3 Pursuant to GCC Clause 18, notices from/to the Purchaser are normally given by, or addressed to, the Project Manager, while notices from/to the Supplier are normally given by, or addressed to, the Supplier's Representative, or in its absence its deputy if any. If there is no appointed Project Manager or Supplier's Representative (or deputy), or if their related authority is limited by the SCC for GCC Clauses 18.1 or 18.2.2, or for any other reason, the Purchaser or Supplier may give and receive notices at their fallback addresses. The address of the Project Manager and the fallback address of the Purchaser are as **specified in the SCC** or as subsequently established/amended. The address of the Supplier's Representative and the fallback address of the Supplier are as specified in Appendix 1 of the Contract Agreement or as subsequently established/amended.

## 5. Governing Law

5.1 The Contract shall be governed by and interpreted in accordance with the laws of the country **specified in the SCC**.

5.2 Throughout the execution of the Contract, the Supplier shall comply with the import of goods and services prohibitions in the Purchaser's Country when

(a) as a matter of law or official regulations, the Borrower's country prohibits commercial relations with that country; or

(b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's Country prohibits any import of goods from that country or any payments to any country, person, or entity in that country.

## 6. Fraud and Corruption

- 6.1 The Bank requires compliance with the Integrity Framework comprising the African Development Bank Group's Sanctions Procedures, the Bank's Whistleblowing and Complaints Policy, the Bank's Procurement Policy under the Procurement Framework and any other applicable Policies and Procedures including their updates, as set forth in Appendix 1 to the GCC Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG's Sanctions Framework, as set forth in the Appendix 1 to the GCC.
- 6.2 The Purchaser requires the Suppliers to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the bidding process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.

## B. SUBJECT MATTER OF CONTRACT

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### 7. Scope of the System

- 7.1 Unless otherwise expressly **limited in the SCC** or Technical Requirements, the Supplier's obligations cover the provision of all Information Technologies, Materials and other Goods as well as the performance of all Services required for the design, development, and implementation (including procurement, quality assurance, assembly, associated site preparation, Delivery, Pre-commissioning, Installation, Testing, and Commissioning) of the System, in accordance with the plans, procedures, specifications, drawings, codes, and any other documents specified in the Contract and the Agreed Project Plan.
- 7.2 The Supplier shall, unless specifically excluded in the Contract, perform all such work and / or supply all such items and Materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Operational Acceptance of the System as if such work and / or items and Materials were expressly mentioned in the Contract.
- 7.3 The Supplier's obligations (if any) to provide Goods and Services as implied by the Recurrent Cost tables of the Supplier's bid, such as consumables, spare parts, and technical services (e.g., maintenance, technical assistance, and

operational support), are as **specified in the SCC**, including the relevant terms, characteristics, and timings.

**8. Time for  
Commence  
ment and  
Operational  
Acceptance**

- 8.1 The Supplier shall commence work on the System within the period **specified in the SCC**, and without prejudice to GCC Clause 28.2, the Supplier shall thereafter proceed with the System in accordance with the time schedule specified in the Implementation Schedule and any refinements made in the Agreed Project Plan.
- 8.2 The Supplier shall achieve Operational Acceptance of the System (or Subsystem(s) where a separate time for Operational Acceptance of such Subsystem(s) is specified in the Contract) in accordance with the time schedule specified in the Implementation Schedule and any refinements made in the Agreed Project Plan, or within such extended time to which the Supplier shall be entitled under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

## 9. Supplier's Responsibilities

9.1 The Supplier shall conduct all activities with due care and diligence, in accordance with the Contract and with the skill and care expected of a competent provider of information technologies, information systems, support, maintenance, training, and other related services, or in accordance with best industry practices. In particular, the Supplier shall provide and employ only technical personnel who are skilled and experienced in their respective callings and supervisory staff who are competent to adequately supervise the work at hand. The Supplier shall ensure that its Subcontractors carry out the work on the Information System in accordance with the Contract, including complying with relevant environmental and social requirements and the obligations set out in GCC Clause 9.9.

The Supplier shall at all times take all reasonable precautions to maintain the health and safety of the Supplier's Personnel employed for the execution of the Contract at the Project Site/s in the Purchaser's country where the Contract is executed.

If **required in the SCC**, the Supplier shall submit to the Purchaser for its approval a health and safety manual which has been specifically prepared for the Contract.

The health and safety manual shall be in addition to any other similar document required under applicable health and safety regulations and laws.

The health and safety manual shall set out any applicable health and safety requirement under the Contract,

(a) which may include:

- (i) the procedures to establish and maintain a safe working environment;
- (ii) the procedures for prevention, preparedness and response activities to be implemented in the case of an emergency event (i.e., an unanticipated incident, arising from natural or man-made hazards);
- (iii) the measures to be taken to avoid or minimize the potential for community exposure to water-borne, water-based, water-related, and vector-borne diseases,
- (iv) the measures to be implemented to avoid or minimize the spread of communicable diseases; and



- (b) any other requirements stated in the Purchaser's Requirements.
- 9.2 The Supplier confirms that it has entered into this Contract on the basis of a proper examination of the data relating to the System provided by the Purchaser and on the basis of information that the Supplier could have obtained from a visual inspection of the site (if access to the site was available) and of other data readily available to the Supplier relating to the System as at the date twenty-eight (28) days prior to bid submission. The Supplier acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Contract.
- 9.3 The Supplier shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach a mutually Agreed Project Plan (pursuant to GCC Clause 19.2) within the time schedule specified in the Implementation Schedule. Failure to provide such resources, information, and decision-making may constitute grounds for termination pursuant to GCC Clause 41.2.
- 9.4 The Supplier shall acquire in its name all permits, approvals, and/or licenses from all local, state, or national government authorities or public service undertakings in the Purchaser's Country that are necessary for the performance of the Contract, including, without limitation, visas for the Supplier's Personnel and entry permits for all imported Supplier's Equipment. The Supplier shall acquire all other permits, approvals, and/or licenses that are not the responsibility of the Purchaser under GCC Clause 10.4 and that are necessary for the performance of the Contract.
- 9.5 The Supplier shall comply with all laws in force in the Purchaser's Country. The laws will include all national, provincial, municipal, or other laws that affect the performance of the Contract and are binding upon the Supplier. The Supplier shall indemnify and hold harmless the Purchaser from and against any and all liabilities, damages, claims, fines, penalties, and expenses of whatever nature arising or resulting from the violation of such laws by the Supplier or its personnel, including the Subcontractors and their personnel, but without prejudice to GCC Clause 10.1. The Supplier shall not indemnify

the Purchaser to the extent that such liability, damage, claims, fines, penalties, and expenses were caused or contributed to by a fault of the Purchaser.

- 9.6 Any Information Technologies or other Goods and Services that will be incorporated in or be required for the System and other supplies shall have their Origin, as defined in GCC Clause 3.12, in a country that shall be an Eligible Country, as defined in GCC Clause 1.1 (e) (iv).
- 9.7 Pursuant to paragraph 2.2 e. of the Appendix 1 to the General Conditions of Contract, the Supplier shall permit and shall cause its agents (where declared or not), subcontractors, sub consultants, service providers, suppliers, and personnel, to permit, the Bank and/or persons appointed by the Bank to inspect the site and/or the accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have such accounts, records and other documents audited by auditors appointed by the Bank. The Supplier's and its Subcontractors' and sub consultants' attention is drawn to GCC Clause 6.1 (Fraud and Corruption) which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank's prevailing sanctions procedures).
- 9.8 The Supplier shall conform to the sustainable procurement contractual provisions, if and as **specified in the SCC**.
- 9.9 **Code of Conduct**

The Supplier shall have a Code of Conduct for the Supplier's Personnel employed for the execution of the Contract at the Project Site/s.

The Supplier shall take all necessary measures to ensure that each such personnel is made aware of the Code of Conduct including specific behaviors that are prohibited, and understands the consequences of engaging in such prohibited behaviors.

These measures include providing instructions and documentation that can be understood by such personnel, and seeking to obtain that person's signature acknowledging receipt of such instructions and/or documentation, as appropriate.

The Supplier shall also ensure that the Code of Conduct is visibly displayed in the Project Site/s as well as, as applicable, in areas outside the Project Site/s accessible to the local community and any project affected people. The posted Code of Conduct shall be provided in languages comprehensible to the Supplier's Personnel, Purchaser's Personnel and the local community.

The Supplier's Management Strategy and Implementation Plans, if applicable, shall include appropriate processes for the Supplier to verify compliance with these obligations.

9.10 The Supplier shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs, and all local laws and regulations pertaining to the employment of labor.

9.11 The Supplier, including its Subcontractors, shall comply with all applicable safety obligations. The Supplier shall at all times take all reasonable precautions to maintain the health and safety of the Supplier's Personnel employed for the execution of Contract at the Project Site/s.

#### 9.12 Training of Supplier's Personnel

The Supplier shall provide appropriate training to relevant Supplier's Personnel on any applicable environmental and social aspect of the Contract, including appropriate sensitization on prohibition of SEA, health and safety.

As stated in the Purchaser's Requirements or as instructed by the Project Manager, the Supplier shall also allow appropriate opportunities for the relevant personnel to be trained on any applicable environmental and social aspects of the Contract by the Purchaser's Personnel and/or other personnel assigned by the Purchaser.

The Supplier shall provide training on SEA and SH, including its prevention, to any of its personnel who has a role to supervise other Supplier's Personnel.

#### 9.13 Stakeholder engagements

The Supplier shall provide relevant contract- related information, as the Purchaser and/or Project Manager may reasonably request to conduct contract stakeholder

engagement. "Stakeholder" refers to individuals or groups who:

- (a) are affected or likely to be affected by the Contract;  
and
- (b) may have an interest in the Contract.

The Supplier may also directly participate in contract stakeholder engagements, as the Purchaser and/or Project Manager may reasonably request.

#### 9.14 Forced Labor

The Supplier, including its Subcontractors, shall not employ or engage forced labour. Forced labour consists of any work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty, and includes any kind of involuntary or compulsory labour, such as indentured labour, bonded labour or similar labour-contracting arrangements.

No persons shall be employed or engaged who have been subject to trafficking. Trafficking in persons is defined as the recruitment, transportation, transfer, harbouring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation.

#### 9.15 Child Labor

The Supplier, including its Subcontractors, shall not employ or engage a child under the age of 14 unless the national law specifies a higher age (the minimum age).

The Supplier, including its Subcontractors, shall not employ or engage a child between the minimum age and the age of 18 in a manner that is likely to be hazardous, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

The Supplier, including its Subcontractors, shall only employ or engage children between the minimum age and the age of 18 after an appropriate risk assessment has been conducted by the Supplier with the Project Manager's consent. The Supplier shall be subject to regular monitoring by the Project

Manager that includes monitoring of health, working conditions and hours of work.

Work considered hazardous for children is work that, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of children. Such work activities prohibited for children include work:

- (a) with exposure to physical, psychological or sexual abuse;
- (b) underground, underwater, working at heights or in confined spaces;
- (c) with dangerous machinery, equipment or tools, or involving handling or transport of heavy loads;
- (d) in unhealthy environments exposing children to hazardous substances, agents, or processes, or to temperatures, noise or vibration damaging to health; or
- (e) under difficult conditions such as work for long hours, during the night or in confinement on the premises of the employer.

#### 9.16 Non-Discrimination and Equal Opportunity

The Supplier shall not make decisions relating to the employment or treatment of personnel for the execution of the Contract on the basis of personal characteristics unrelated to inherent job requirements. The Supplier shall base the employment of personnel for the execution of the Contract on the principle of equal opportunity and fair treatment, and shall not discriminate with respect to any aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, and disciplinary practices.

Special measures of protection or assistance to remedy past discrimination or selection for a particular job based on the inherent requirements of the job shall not be deemed discrimination. The Supplier shall provide protection and assistance as necessary to ensure non-discrimination and equal opportunity, including for specific groups such as women, people with disabilities, migrant workers and children (of working age in accordance with GCC Clause 9.15).

#### 9.17 Personnel Grievance Mechanism

The Supplier shall have a grievance mechanism for personnel employed in the execution of the Contract to raise workplace concerns. The grievance mechanism shall be proportionate to the nature, scale, risks and impacts of the Contract. The grievance mechanism may utilize existing grievance mechanisms, provided that they are properly designed and implemented, address concerns promptly, and are readily accessible to such personnel.

#### 9.18 Security of the Project Site

**If stated in the SCC**, the Supplier shall be responsible for the security at the Project Site/s including providing and maintaining at its own expense all lighting, fencing, and watching when and where necessary for the proper execution and the protection of the locations, or for the safety of the owners and occupiers of adjacent property and for the safety of the public.

In making security arrangements, the Supplier shall be guided by applicable laws and any other requirements that may be stated in the Purchaser's Requirements.

The Supplier shall (i) conduct appropriate background checks on any personnel retained to provide security; (ii) train the security personnel adequately (or determine that they are properly trained) in the use of force (and where applicable, firearms), and appropriate conduct towards the Supplier's Personnel, Purchaser's Personnel and affected communities; and (iii) require the security personnel to act within the applicable Laws and any requirements set out in the Purchaser's Requirements.

The Supplier shall not permit any use of force by security personnel in providing security except when used for preventive and defensive purposes in proportion to the nature and extent of the threat.

#### 9.19 Recruitment of Persons

The Supplier shall not recruit, or attempt to recruit, either on limited time or permanent basis or through any other contractual agreement, staff and labor from amongst the Purchaser's Personnel.

#### 9.20 **Unless otherwise specified in the SCC** the Supplier shall have no other Supplier responsibilities.

**10. Purchaser's Responsibilities**

- 10.1 The Purchaser shall ensure the accuracy of all information and/or data to be supplied by the Purchaser to the Supplier, except when otherwise expressly stated in the Contract.
- 10.2 The Purchaser shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach an Agreed Project Plan (pursuant to GCC Clause 19.2) within the time schedule specified in the Implementation Schedule. Failure to provide such resources, information, and decision making may constitute grounds for Termination pursuant to GCC Clause 41.3.1 (b).
- 10.3 The Purchaser shall be responsible for acquiring and providing legal and physical possession of the site and access to it, and for providing possession of and access to all other areas reasonably required for the proper execution of the Contract.
- 10.4 If requested by the Supplier, the Purchaser shall use its best endeavors to assist the Supplier in obtaining in a timely and expeditious manner all permits, approvals, and/or licenses necessary for the execution of the Contract from all local, state, or national government authorities or public service undertakings that such authorities or undertakings require the Supplier or Subcontractors or the Supplier's Personnel, as the case may be, to obtain.
- 10.5 In such cases where the responsibilities of specifying and acquiring or upgrading telecommunications and/or electric power services falls to the Supplier, as specified in the Technical Requirements, SCC, Agreed Project Plan, or other parts of the Contract, the Purchaser shall use its best endeavors to assist the Supplier in obtaining such services in a timely and expeditious manner.
- 10.6 The Purchaser shall be responsible for timely provision of all resources, access, and information necessary for the Installation and Operational Acceptance of the System (including, but not limited to, any required telecommunications or electric power services), as identified in the Agreed Project Plan, except where provision of such items is explicitly identified in the Contract as being the responsibility of the Supplier. Delay by the Purchaser may result in an appropriate extension of the Time for Operational Acceptance, at the Supplier's discretion.

- 10.7 Unless otherwise specified in the Contract or agreed upon by the Purchaser and the Supplier, the Purchaser shall provide sufficient, properly qualified operating and technical personnel, as required by the Supplier to properly carry out Delivery, Pre-commissioning, Installation, Commissioning, and Operational Acceptance, at or before the time specified in the Implementation Schedule and the Agreed Project Plan.
- 10.8 The Purchaser will designate appropriate staff for the training courses to be given by the Supplier and shall make all appropriate logistical arrangements for such training as specified in the Technical Requirements, SCC, the Agreed Project Plan, or other parts of the Contract.
- 10.9 The Purchaser assumes primary responsibility for the Operational Acceptance Test(s) for the System, in accordance with GCC Clause 27.2, and shall be responsible for the continued operation of the System after Operational Acceptance. However, this shall not limit in any way the Supplier's responsibilities after the date of Operational Acceptance otherwise specified in the Contract.
- 10.10 The Purchaser is responsible for performing and safely storing timely and regular backups of its data and Software in accordance with accepted data management principles, except where such responsibility is clearly assigned to the Supplier elsewhere in the Contract.
- 10.11 All costs and expenses involved in the performance of the obligations under this GCC Clause 10 shall be the responsibility of the Purchaser, save those to be incurred by the Supplier with respect to the performance of the Operational Acceptance Test(s), in accordance with GCC Clause 27.2.
- 10.12 **Unless otherwise specified in the SCC** the Purchaser shall have no other Purchaser responsibilities.

### C. PAYMENT

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#### 11.Contract Price

- 11.1 The Contract Price shall be as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.
- 11.2 Unless an adjustment clause is **provided for in the SCC**, the Contract Price shall be a firm lump sum not subject to any alteration, except in the event of a Change in the System



pursuant to GCC Clause 39 or to other clauses in the Contract;

- 11.3 The Supplier shall be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price, which shall, except as otherwise provided for in the Contract, cover all its obligations under the Contract.

## **12. Terms of Payment**

- 12.1 The Supplier's request for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the System or Subsystem(s), Delivered, Pre-commissioned, Installed, and Operationally Accepted, and by documents submitted pursuant to GCC Clause 22.5 and upon fulfillment of other obligations stipulated in the Contract.

The Contract Price shall be paid as **specified in the SCC**.

- 12.2 No payment made by the Purchaser herein shall be deemed to constitute acceptance by the Purchaser of the System or any Subsystem(s).
- 12.3 Payments shall be made promptly by the Purchaser, but in no case later than forty-five (45) days after submission of a valid invoice by the Supplier. In the event that the Purchaser fails to make any payment by its respective due date or within the period set forth in the Contract, the Purchaser shall pay to the Supplier interest on the amount of such delayed payment at the rate(s) **specified in the SCC** for the period of delay until payment has been made in full, whether before or after judgment or arbitration award.
- 12.4 Payments shall be made in the currency(ies) specified in the Contract Agreement, pursuant to GCC Clause 11. For Goods and Services supplied locally, payments shall be made **as specified in the SCC**.
- 12.5 **Unless otherwise specified in the SCC**, payment of the foreign currency portion of the Contract Price for Goods supplied from outside the Purchaser's Country shall be made to the Supplier through an irrevocable letter of credit opened by an authorized bank in the Supplier's Country and will be payable on presentation of the appropriate documents. It is agreed that the letter of credit will be subject to Article 10 of the latest revision of *Uniform Customs and Practice for Documentary Credits*, published by the International Chamber of Commerce, Paris.

**13. Securities****13.1 Issuance of Securities**

The Supplier shall provide the securities specified below in favor of the Purchaser at the times and in the amount, manner, and form specified below.

**13.2 Advance Payment Security**

13.2.1 The Supplier shall provide within twenty-eight (28) days of the notification of Contract award an Advance Payment Security in the amount and currency of the Advance Payment specified in SCC for GCC Clause 12.1 above and valid until the System is Operationally Accepted.

13.2.2 The security shall be in the form provided in the bidding documents or in another form acceptable to the Purchaser. The amount of the security shall be reduced in proportion to the value of the System executed by and paid to the Supplier from time to time and shall automatically become null and void when the full amount of the advance payment has been recovered by the Purchaser. **Unless otherwise specified in the SCC**, the reduction in value and expiration of the Advance Payment Security are calculated as follows:

$P \cdot a / (100 - a)$ , where "P" is the sum of all payments effected so far to the Supplier (excluding the Advance Payment), and "a" is the Advance Payment expressed as a percentage of the Contract Price pursuant to the SCC for GCC Clause 12.1.

The security shall be returned to the Supplier immediately after its expiration.

**13.3 Performance Security**

13.3.1 The Supplier shall, within twenty-eight (28) days of the notification of Contract award, provide a security for the due performance of the Contract in the amount and currency **specified in the SCC**.

13.3.2 The security shall be a bank guarantee in the form provided in the Sample Contractual Forms Section of the bidding documents, or it shall be in another form acceptable to the Purchaser.

13.3.3 The security shall automatically become null and void once all the obligations of the Supplier under the

Contract have been fulfilled, including, but not limited to, any obligations during the Warranty Period and any extensions to the period. The security shall be returned to the Supplier no later than twenty-eight (28) days after its expiration.

13.3.4 Upon Operational Acceptance of the entire System, the security shall be reduced to the amount **specified in the SCC**, on the date of the Operational Acceptance, so that the reduced security would only cover the remaining warranty obligations of the Supplier.

#### **14. Taxes and Duties**

- 14.1 For Goods or Services supplied from outside the Purchaser's country, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the Purchaser's country. Any duties, such as importation or customs duties, and taxes and other levies, payable in the Purchaser's country for the supply of Goods and Services from outside the Purchaser's country are the responsibility of the Purchaser unless these duties or taxes have been made part of the Contract Price in Article 2 of the Contract Agreement and the Price Schedule it refers to, in which case the duties and taxes will be the Supplier's responsibility.
- 14.2 For Goods or Services supplied locally, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods or Services to the Purchaser. The only exception are taxes or duties, such as value-added or sales tax or stamp duty as apply to, or are clearly identifiable, on the invoices and provided they apply in the Purchaser's country, and only if these taxes, levies and/or duties are also excluded from the Contract Price in Article 2 of the Contract Agreement and the Price Schedule it refers to.
- 14.3 If any tax exemptions, reductions, allowances, or privileges may be available to the Supplier in the Purchaser's Country, the Purchaser shall use its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.
- 14.4 For the purpose of the Contract, it is agreed that the Contract Price specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement is based on the taxes, duties, levies, and charges prevailing at the date twenty-

eight (28) days prior to the date of bid submission in the Purchaser's Country (also called "Tax" in this GCC Clause 14.4). If any Tax rates are increased or decreased, a new Tax is introduced, an existing Tax is abolished, or any change in interpretation or application of any Tax occurs in the course of the performance of the Contract, which was or will be assessed on the Supplier, its Subcontractors, or their employees in connection with performance of the Contract, an equitable adjustment to the Contract Price shall be made to fully take into account any such change by addition to or reduction from the Contract Price, as the case may be.

## D. INTELLECTUAL PROPERTY

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- 15. Copyright**
- 15.1 The Intellectual Property Rights in all Standard Software and Standard Materials shall remain vested in the owner of such rights.
  - 15.2 The Purchaser agrees to restrict use, copying, or duplication of the Standard Software and Standard Materials in accordance with GCC Clause 16, except that additional copies of Standard Materials may be made by the Purchaser for use within the scope of the project of which the System is a part, in the event that the Supplier does not deliver copies within thirty (30) days from receipt of a request for such Standard Materials.
  - 15.3 The Purchaser's contractual rights to use the Standard Software or elements of the Standard Software may not be assigned, licensed, or otherwise transferred voluntarily except in accordance with the relevant license agreement or **unless otherwise specified in the SCC** to a legally constituted successor organization (e.g., a reorganization of a public entity formally authorized by the government or through a merger or acquisition of a private entity).
  - 15.4 **Unless otherwise specified in the SCC**, the Intellectual Property Rights in all Custom Software and Custom Materials specified in Appendices 4 and 5 of the Contract Agreement (if any) shall, at the date of this Contract or on creation of the rights (if later than the date of this Contract), vest in the Purchaser. The Supplier shall do and execute or arrange for the doing and executing of each necessary act, document, and thing (as legally sufficient) that the Purchaser may consider necessary or desirable to perfect the right, title, and

interest of the Purchaser in and to those rights. In respect of such Custom Software and Custom Materials, the Supplier shall ensure that the holder of a moral right in such an item does not assert it, and the Supplier shall, if requested to do so by the Purchaser and where permitted by applicable law, ensure that the holder of such a moral right waives it.

15.5 **Unless otherwise specified in the SCC**, escrow arrangements shall NOT be required.

## **16. Software License Agreements**

16.1 Except to the extent that the Intellectual Property Rights in the Software vest in the Purchaser, the Supplier hereby grants to the Purchaser license to access and use the Software, including all inventions, designs, and marks embodied in the Software.

Such license to access and use the Software shall:

- (a) be:
  - (i) nonexclusive;
  - (ii) fully paid up and irrevocable (except that it shall terminate if the Contract terminates under GCC Clauses 41.1 or 41.3);
  - (iii) **unless otherwise specified in the SCC** valid throughout the territory of the Purchaser's Country;
  - (iv) **unless otherwise specified in the SCC subject to** NO additional restrictions.
- (b) permit the Software to be:
  - (i) used or copied for use on or with the computer(s) for which it was acquired (if specified in the Technical Requirements and/or the Supplier's bid), plus a backup computer(s) of the same or similar capacity, if the primary is(are) inoperative, and during a reasonable transitional period when use is being transferred between primary and backup;
  - (ii) used or copied for use on or transferred to a replacement computer(s), (and use on the original and replacement computer(s) may be simultaneous during a reasonable transitional period) provided that, if the Technical Requirements and/or the Supplier's bid specifies a class of computer to which the license is restricted, the replacement computer(s) is(are) within that class;

- (iii) if the nature of the System is such as to permit such access, accessed from other computers connected to the primary and/or backup computer(s) by means of a local or wide-area network or similar arrangement, and used on or copied for use on those other computers to the extent necessary to that access;
  - (iv) reproduced for safekeeping or backup purposes;
  - (v) customized, adapted, or combined with other computer software for use by the Purchaser, provided that derivative software incorporating any substantial part of the delivered, restricted Software shall be subject to same restrictions as are set forth in this Contract;
  - (vi) **unless otherwise specified in the SCC**, disclosed to, and reproduced for use by, support service suppliers and their subcontractors, to the extent reasonably necessary to the performance of their support service contracts, subject to the same restrictions as are set forth in this Contract; and
  - (vii) **unless otherwise specified in the SCC** disclosed to, and reproduced for use by, NO other parties.
- 16.2 The Supplier has the right to audit the Standard Software to verify compliance with the above license agreements. **Unless otherwise specified in the SCC**, the Purchaser will make available to the Supplier, within seven (7) days of a written request, accurate and up-to-date records of the number and location of copies, the number of authorized users, or any other relevant data required to demonstrate use of the Standard Software as per the license agreement. If and only if, expressly agreed in writing between the Purchaser and the Supplier, Purchaser will allow, under a pre-specified agreed procedure, the execution of embedded software functions under Supplier's control, and unencumbered transmission of resulting information on software usage.

**17. Confidential Information**

- 17.1 **Unless otherwise specified in the SCC,** the "Receiving Party" (either the Purchaser or the Supplier) shall keep confidential and shall not, without the written consent of the other party to this Contract ("the Disclosing Party"), divulge to any third party any documents, data, or other information of a confidential nature ("Confidential Information") connected with this Contract, and furnished directly or indirectly by the Disclosing Party prior to or during performance, or following termination, of this Contract.
- 17.2 For the purposes of GCC Clause 17.1, the Supplier is also deemed to be the Receiving Party of Confidential Information generated by the Supplier itself in the course of the performance of its obligations under the Contract and relating to the businesses, finances, suppliers, employees, or other contacts of the Purchaser or the Purchaser's use of the System.
- 17.3 Notwithstanding GCC Clauses 17.1 and 17.2:
- (a) the Supplier may furnish to its Subcontractor Confidential Information of the Purchaser to the extent reasonably required for the Subcontractor to perform its work under the Contract; and
  - (b) the Purchaser may furnish Confidential Information of the Supplier: (i) to its support service suppliers and their subcontractors to the extent reasonably required for them to perform their work under their support service contracts; and (ii) to its affiliates and subsidiaries,
- in which event the Receiving Party shall ensure that the person to whom it furnishes Confidential Information of the Disclosing Party is aware of and abides by the Receiving Party's obligations under this GCC Clause 17 as if that person were party to the Contract in place of the Receiving Party.
- 17.4 The Purchaser shall not, without the Supplier's prior written consent, use any Confidential Information received from the Supplier for any purpose other than the operation, maintenance and further development of the System. Similarly, the Supplier shall not, without the Purchaser's prior written consent, use any Confidential Information received from the Purchaser for any purpose other than those that are required for the performance of the Contract.

- 17.5 The obligation of a party under GCC Clauses 17.1 through 17.4 above, however, shall not apply to that information which:
- (a) now or hereafter enters the public domain through no fault of the Receiving Party;
  - (b) can be proven to have been possessed by the Receiving Party at the time of disclosure and that was not previously obtained, directly or indirectly, from the Disclosing Party;
  - (c) otherwise lawfully becomes available to the Receiving Party from a third party that has no obligation of confidentiality;
  - (d) is being provided to the Bank.
- 17.6 The above provisions of this GCC Clause 17 shall not in any way modify any undertaking of confidentiality given by either of the parties to this Contract prior to the date of the Contract in respect of the System or any part thereof.
- 17.7 **Unless otherwise specified in the SCC**, the provisions of this GCC Clause 17 shall survive the termination, for whatever reason, of the Contract for three (3) years.

## **E. SUPPLY, INSTALLATION, TESTING, COMMISSIONING, AND ACCEPTANCE OF THE SYSTEM**

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| <b>18.</b> | <b>Represent<br/>atives</b> | <p>18.1 Project Manager</p> <p>If the Project Manager is not named in the Contract, then within fourteen (14) days of the Effective Date, the Purchaser shall appoint and notify the Supplier in writing of the name of the Project Manager. The Purchaser may from time to time appoint some other person as the Project Manager in place of the person previously so appointed and shall give a notice of the name of such other person to the Supplier without delay. No such appointment shall be made at such a time or in such a manner as to impede the progress of work on the System. Such appointment shall take effect only upon receipt of such notice by the Supplier.</p> <p><b>Unless otherwise specified in the SCC</b> (if any), the Project Manager shall have the authority to represent the Purchaser on all day-to-day matters relating to the System or arising from the Contract, and shall normally be the</p> |
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person giving or receiving notices on behalf of the Purchaser pursuant to GCC Clause 4.

## 18.2 Supplier's Representative

18.2.1 If the Supplier's Representative is not named in the Contract, then within fourteen (14) days of the Effective Date, the Supplier shall appoint the Supplier's Representative and shall request the Purchaser in writing to approve the person so appointed. The request must be accompanied by a detailed curriculum vitae for the nominee, as well as a description of any other System or non-System responsibilities the nominee would retain while performing the duties of the Supplier's Representative. If the Purchaser does not object to the appointment within fourteen (14) days, the Supplier's Representative shall be deemed to have been approved. If the Purchaser objects to the appointment within fourteen (14) days giving the reason therefor, then the Supplier shall appoint a replacement within fourteen (14) days of such objection in accordance with this GCC Clause 18.2.1.

18.2.2 **Unless otherwise specified in the SCC** (if any), the Supplier's Representative shall have the authority to represent the Supplier on all day-to-day matters relating to the System or arising from the Contract, and shall normally be the person giving or receiving notices on behalf of the Supplier pursuant to GCC Clause 4.

18.2.3 The Supplier shall not revoke the appointment of the Supplier's Representative without the Purchaser's prior written consent, which shall not be unreasonably withheld. If the Purchaser consents to such an action, the Supplier shall appoint another person of equal or superior qualifications as the Supplier's Representative, pursuant to the procedure set out in GCC Clause 18.2.1.

18.2.4 The Supplier's Representative and staff are obliged to work closely with the Purchaser's Project Manager and staff, act within their own authority, and abide by directives issued by the Purchaser that are consistent with the terms of the Contract. The Supplier's Representative is responsible for managing the activities of the Supplier's Personnel.

18.2.5 The Supplier's Representative may, subject to the approval of the Purchaser (which shall not be unreasonably withheld), at any time delegate to any person any of the powers, functions, and authorities vested in him or her. Any such delegation may be revoked at any time. Any such delegation or revocation shall be subject to a prior notice signed by the Supplier's Representative and shall specify the powers, functions, and authorities thereby delegated or revoked. No such delegation or revocation shall take effect unless and until the notice of it has been delivered.

18.2.6 Any act or exercise by any person of powers, functions and authorities so delegated to him or her in accordance with GCC Clause 18.2.5 shall be deemed to be an act or exercise by the Supplier's Representative.

### 18.3 Removal of Supplier's Personnel

18.3.1 The Project Manager may require the Supplier to remove (or cause to be removed) the Supplier's Representative or any other person employed by the Supplier in the execution of the Contract, who:

- (a) persists in any misconduct or lack of care;
- (b) carries out duties incompetently or negligently;
- (c) fails to comply with any provision of the Contract;
- (d) persists in any conduct which is prejudicial to safety, health, or the protection of the environment;
- (e) based on reasonable evidence, is determined to have engaged in Fraud and Corruption during the execution of the Contract;
- (f) has been recruited from the Purchaser's Personnel;
- (g) engages in any other behaviour which breaches the Code of Conduct, as applicable;

If appropriate, the Supplier shall then promptly appoint (or cause to be appointed) a suitable replacement with equivalent skills and experience.

Notwithstanding any requirement from the Project Manager to remove or cause to remove any person, the Supplier shall take immediate action as appropriate in response to any violation of (a) through (g) above. Such immediate action shall include removing (or causing to be removed) from work on the System, any person Employed by the Supplier in the execution of the Contract who engages in (a), (b), (c), (d), (e) or (g) above or has been recruited as stated in (f) above.

18.3.2 If any representative or person employed by the Supplier is removed in accordance with GCC Clause 18.3.1, the Supplier shall, where required, promptly appoint a suitable replacement with equivalent skills and experience.

## **19. Project Plan**

19.1 In close cooperation with the Purchaser and based on the Preliminary Project Plan included in the Supplier's bid, the Supplier shall develop a Project Plan encompassing the activities specified in the Contract. The contents of the Project Plan shall be as **specified in the SCC** and/or Technical Requirements.

19.2 **Unless otherwise specified in the SCC**, within thirty (30) days from the Effective Date of the Contract, the Supplier shall present a Project Plan to the Purchaser. Such submission to the Purchaser shall include any applicable environmental and social management plan to manage environmental and social risks and impacts. The Purchaser shall, within fourteen (14) days of receipt of the Project Plan, notify the Supplier of any respects in which it considers that the Project Plan does not adequately ensure that the proposed program of work, proposed methods, and/or proposed Information Technologies will satisfy the Technical Requirements and/or the SCC (in this Clause 19.2 called "non-conformities" below). The Supplier shall, within five (5) days of receipt of such notification, correct the Project Plan and resubmit to the Purchaser. The Purchaser shall, within five (5) days of resubmission of the Project Plan, notify the Supplier of any remaining non-conformities. This procedure shall be repeated as necessary until the Project Plan is free from non-conformities. When the Project Plan is free from non-conformities, the Purchaser shall provide confirmation in writing to the Supplier. This approved Project Plan ("the

Agreed Project Plan”) shall be contractually binding on the Purchaser and the Supplier.

19.3 If required, the impact on the Implementation Schedule of modifications agreed during finalization of the Agreed Project Plan shall be incorporated in the Contract by amendment, in accordance with GCC Clauses 39 and 40.

19.4 The Supplier shall undertake to supply, install, test, and commission the System in accordance with the Agreed Project Plan and the Contract.

19.5 **Unless otherwise specified in the SCC**, the Supplier shall submit to the Purchaser Monthly Progress Reports summarizing:

- (i) results accomplished during the prior period;
- (ii) cumulative deviations to date from schedule of progress milestones as specified in the Agreed Project Plan;
- (iii) corrective actions to be taken to return to planned schedule of progress; proposed revisions to planned schedule;
- (iv) other issues and outstanding problems; proposed actions to be taken;
- (v) resources that the Supplier expects to be provided by the Purchaser and/or actions to be taken by the Purchaser in the next reporting period;
- (vi) status of compliance to environmental and social requirements, as applicable;
- (vii) other issues or potential problems the Supplier foresees that could impact on project progress and/or effectiveness.

19.6 The Supplier shall submit to the Purchaser other (periodic) reports as specified in the SCC.

19.7 Immediate Reporting requirement

The Supplier shall inform the Project Manager immediately of any allegation, incident or accident in Project Site/s, which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Purchaser’s Personnel or Supplier’s Personnel. This includes, but is not limited to, any incident or accident

causing fatality or serious injury; significant adverse effects or damage to private property; or any allegation of SEA and/or SH. In case of SEA and/or SH, while maintaining confidentiality as appropriate, the type of allegation (sexual exploitation, sexual abuse or sexual harassment), gender and age of the person who experienced the alleged incident should be included in the information.

The Supplier, upon becoming aware of the allegation, incident or accident, shall also immediately inform the Purchaser of any such incident or accident on the Subcontractors' or suppliers' premises relating to the Contract which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Purchaser's Personnel or Supplier's Personnel. The notification shall provide sufficient detail regarding such incidents or accidents.

The Supplier shall provide full details of such incidents or accidents to the Project Manager within the timeframe agreed with the Purchaser.

The Purchaser shall require its Subcontractors to immediately notify it of any incidents or accidents referred to in this Sub- Clause.

**20.**  
**Subcontracting**

20.1 Appendix 3 (List of Approved Subcontractors) to the Contract Agreement specifies critical items of supply or services and a list of Subcontractors for each item that are considered acceptable by the Purchaser. If no Subcontractors are listed for an item, the Supplier shall prepare a list of Subcontractors it considers qualified and wishes to be added to the list for such items. The Supplier may from time to time propose additions to or deletions from any such list. The Supplier shall submit any such list or any modification to the list to the Purchaser for its approval in sufficient time so as not to impede the progress of work on the System. Submission by the Supplier, for addition of any Subcontractor not named in the Contract, shall also include the Subcontractor's declaration in accordance with Appendix 2 to the GCC- Sexual exploitation and Abuse (SEA) and/or Sexual Harassment (SH) Performance Declaration. Approval by the Purchaser of a Subcontractor(s) shall not relieve the Supplier from any of its obligations, duties, or responsibilities under the Contract.

- 20.2 The Supplier may, at its discretion, select and employ Subcontractors for such critical items from those Subcontractors listed pursuant to GCC Clause 20.1. If the Supplier wishes to employ a Subcontractor not so listed, or subcontract an item not so listed, it must seek the Purchaser's prior approval under GCC Clause 20.3.
- 20.3 For items for which pre-approved Subcontractor lists have not been specified in Appendix 3 to the Contract Agreement, the Supplier may employ such Subcontractors as it may select, provided: (i) the Supplier notifies the Purchaser in writing at least twenty-eight (28) days prior to the proposed mobilization date for such Subcontractor, including by providing the Subcontractor's declaration in accordance with Appendix 2 to the GCC- Sexual exploitation and Abuse (SEA) and/or Sexual Harassment (SH) Performance Declaration; and (ii) by the end of this period either the Purchaser has granted its approval in writing or fails to respond. The Supplier shall not engage any Subcontractor to which the Purchaser has objected in writing prior to the end of the notice period. The absence of a written objection by the Purchaser during the above specified period shall constitute formal acceptance of the proposed Subcontractor. Except to the extent that it permits the deemed approval of the Purchaser of Subcontractors not listed in the Contract Agreement, nothing in this Clause, however, shall limit the rights and obligations of either the Purchaser or Supplier as they are specified in GCC Clauses 20.1 and 20.2, or in Appendix 3 of the Contract Agreement.
- 20.4 The Supplier shall ensure that its Subcontractors comply with the relevant ES requirements and the obligations set out in GCC Clause 9.9.

## **21.Design and Engineering**

- 21.1 Technical Specifications and Drawings
- 21.1.1 The Supplier shall execute the basic and detailed design and the implementation activities necessary for successful installation of the System in compliance with the provisions of the Contract or, where not so specified, in accordance with good industry practice.
- The Supplier shall be responsible for any discrepancies, errors or omissions in the specifications, drawings, and other technical documents that it has prepared,

whether such specifications, drawings, and other documents have been approved by the Project Manager or not, provided that such discrepancies, errors, or omissions are not because of inaccurate information furnished in writing to the Supplier by or on behalf of the Purchaser.

21.1.2 The Supplier shall be entitled to disclaim responsibility for any design, data, drawing, specification, or other document, or any modification of such design, drawings, specification, or other documents provided or designated by or on behalf of the Purchaser, by giving a notice of such disclaimer to the Project Manager.

## 21.2 Codes and Standards

Wherever references are made in the Contract to codes and standards in accordance with which the Contract shall be executed, the edition or the revised version of such codes and standards current at the date twenty-eight (28) days prior to date of bid submission shall apply. During Contract execution, any changes in such codes and standards shall be applied after approval by the Purchaser and shall be treated in accordance with GCC Clause 39.3.

## 21.3 Approval/Review of Controlling Technical Documents by the Project Manager

21.3.1 **Unless otherwise specified in the SCC**, there will NO Controlling Technical Documents required. However, **if the SCC specifies** Controlling Technical Documents, the Supplier shall prepare and furnish such documents for the Project Manager's approval or review.

Any part of the System covered by or related to the documents to be approved by the Project Manager shall be executed only after the Project Manager's approval of these documents.

GCC Clauses 21.3.2 through 21.3.7 shall apply to those documents requiring the Project Manager's approval, but not to those furnished to the Project Manager for its review only.

21.3.2 Within fourteen (14) days after receipt by the Project Manager of any document requiring the Project Manager's approval in accordance with GCC Clause

21.3.1, the Project Manager shall either return one copy of the document to the Supplier with its approval endorsed on the document or shall notify the Supplier in writing of its disapproval of the document and the reasons for disapproval and the modifications that the Project Manager proposes. If the Project Manager fails to take such action within the fourteen (14) days, then the document shall be deemed to have been approved by the Project Manager.

21.3.3 The Project Manager shall not disapprove any document except on the grounds that the document does not comply with some specified provision of the Contract or that it is contrary to good industry practice.

21.3.4 If the Project Manager disapproves the document, the Supplier shall modify the document and resubmit it for the Project Manager's approval in accordance with GCC Clause 21.3.2. If the Project Manager approves the document subject to modification(s), the Supplier shall make the required modification(s), and the document shall then be deemed to have been approved, subject to GCC Clause 21.3.5. The procedure set out in GCC Clauses 21.3.2 through 21.3.4 shall be repeated, as appropriate, until the Project Manager approves such documents.

21.3.5 If any dispute occurs between the Purchaser and the Supplier in connection with or arising out of the disapproval by the Project Manager of any document and/or any modification(s) to a document that cannot be settled between the parties within a reasonable period, then, in case the Contract Agreement includes and names an Adjudicator, such dispute may be referred to the Adjudicator for determination in accordance with GCC Clause 43.1 (Adjudication). If such dispute is referred to an Adjudicator, the Project Manager shall give instructions as to whether and if so, how, performance of the Contract is to proceed. The Supplier shall proceed with the Contract in accordance with the Project Manager's instructions, provided that if the Adjudicator upholds the Supplier's view on the dispute and if the Purchaser has not given notice under GCC Clause 43.1.2, then the Supplier shall be reimbursed by the Purchaser for any additional costs



incurred by reason of such instructions and shall be relieved of such responsibility or liability in connection with the dispute and the execution of the instructions as the Adjudicator shall decide, and the Time for Achieving Operational Acceptance shall be extended accordingly.

21.3.6 The Project Manager's approval, with or without modification of the document furnished by the Supplier, shall not relieve the Supplier of any responsibility or liability imposed upon it by any provisions of the Contract except to the extent that any subsequent failure results from modifications required by the Project Manager or inaccurate information furnished in writing to the Supplier by or on behalf of the Purchaser.

21.3.7 The Supplier shall not depart from any approved document unless the Supplier has first submitted to the Project Manager an amended document and obtained the Project Manager's approval of the document, pursuant to the provisions of this GCC Clause 21.3. If the Project Manager requests any change in any already approved document and/or in any document based on such an approved document, the provisions of GCC Clause 39 (Changes to the System) shall apply to such request.

**22. Procurement,  
Delivery, and  
Transport**

22.1 Subject to related Purchaser's responsibilities pursuant to GCC Clauses 10 and 14, the Supplier shall manufacture or procure and transport all the Information Technologies, Materials, and other Goods in an expeditious and orderly manner to the Project Site.

22.2 Delivery of the Information Technologies, Materials, and other Goods shall be made by the Supplier in accordance with the Technical Requirements.

22.3 Early or partial deliveries require the explicit written consent of the Purchaser, which consent shall not be unreasonably withheld.

22.4 Transportation

22.4.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during shipment. The packing, marking, and documentation within and outside the packages shall

comply strictly with the Purchaser's instructions to the Supplier.

22.4.2 The Supplier will bear responsibility for and cost of transport to the Project Sites in accordance with the terms and conditions used in the specification of prices in the Price Schedules, including the terms and conditions of the associated Incoterms.

22.4.3 **Unless otherwise specified in the SCC,** the Supplier shall be free to use transportation through carriers registered in any eligible country and to obtain insurance from any eligible source country.

22.5 **Unless otherwise specified in the SCC,** the Supplier will provide the Purchaser with shipping and other documents, as specified below:

22.5.1 For Goods supplied from outside the Purchaser's Country:

Upon shipment, the Supplier shall notify the Purchaser and the insurance company contracted by the Supplier to provide cargo insurance by cable, facsimile, electronic mail, or EDI with the full details of the shipment. The Supplier shall promptly send the following documents to the Purchaser by mail or courier, as appropriate, with a copy to the cargo insurance company:

- (a) two copies of the Supplier's invoice showing the description of the Goods, quantity, unit price, and total amount;
- (b) usual transportation documents;
- (c) insurance certificate;
- (d) certificate(s) of origin; and
- (e) estimated time and point of arrival in the Purchaser's Country and at the site.

22.5.2 For Goods supplied locally (i.e., from within the Purchaser's country):

Upon shipment, the Supplier shall notify the Purchaser by cable, facsimile, electronic mail, or EDI with the full details of the shipment. The Supplier shall promptly send the following documents to the Purchaser by mail or courier, as appropriate:

- (a) two copies of the Supplier's invoice showing the Goods' description, quantity, unit price, and total amount;
- (b) delivery note, railway receipt, or truck receipt;
- (c) certificate of insurance;
- (d) certificate(s) of origin; and
- (e) estimated time of arrival at the site.

#### 22.6 Customs Clearance

- (a) The Purchaser will bear responsibility for, and cost of, customs clearance into the Purchaser's country in accordance the particular Incoterm(s) used for Goods supplied from outside the Purchaser's country in the Price Schedules referred to by Article 2 of the Contract Agreement.
- (b) At the request of the Purchaser, the Supplier will make available a representative or agent during the process of customs clearance in the Purchaser's country for goods supplied from outside the Purchaser's country. In the event of delays in customs clearance that are not the fault of the Supplier:
  - (i) the Supplier shall be entitled to an extension in the Time for Achieving Operational Acceptance, pursuant to GCC Clause 40;
  - (ii) the Contract Price shall be adjusted to compensate the Supplier for any additional storage charges that the Supplier may incur as a result of the delay.

### **23. Product Upgrades**

- 23.1 At any point during performance of the Contract, should technological advances be introduced by the Supplier for Information Technologies originally offered by the Supplier in its bid and still to be delivered, the Supplier shall be obligated to offer to the Purchaser the latest versions of the available Information Technologies having equal or better performance or functionality at the same or lesser unit prices, pursuant to GCC Clause 39 (Changes to the System).
- 23.2 At any point during performance of the Contract, for Information Technologies still to be delivered, the Supplier

will also pass on to the Purchaser any cost reductions and additional and/or improved support and facilities that it offers to other clients of the Supplier in the Purchaser's Country, pursuant to GCC Clause 39 (Changes to the System).

- 23.3 During performance of the Contract, the Supplier shall offer to the Purchaser all new versions, releases, and updates of Standard Software, as well as related documentation and technical support services, within thirty (30) days of their availability from the Supplier to other clients of the Supplier in the Purchaser's Country, and no later than twelve (12) months after they are released in the country of origin. In no case will the prices for these Software exceed those quoted by the Supplier in the Recurrent Costs tables in its bid.
- 23.4 **Unless otherwise specified in the SCC,** during the Warranty Period, the Supplier will provide at no additional cost to the Purchaser all new versions, releases, and updates for all Standard Software that are used in the System, within thirty (30) days of their availability from the Supplier to other clients of the Supplier in the Purchaser's country, and no later than twelve (12) months after they are released in the country of origin of the Software.
- 23.5 The Purchaser shall introduce all new versions, releases or updates of the Software within eighteen (18) months of receipt of a production-ready copy of the new version, release, or update, provided that the new version, release, or update does not adversely affect System operation or performance or require extensive reworking of the System. In cases where the new version, release, or update adversely affects System operation or performance, or requires extensive reworking of the System, the Supplier shall continue to support and maintain the version or release previously in operation for as long as necessary to allow introduction of the new version, release, or update. In no case shall the Supplier stop supporting or maintaining a version or release of the Software less than twenty-four (24) months after the Purchaser receives a production-ready copy of a subsequent version, release, or update. The Purchaser shall use all reasonable endeavors to implement any new version, release, or update as soon

- as practicable, subject to the twenty-four-month-long stop date.
- 24. Implementation, Installation, and Other Services**
- 24.1 The Supplier shall provide all Services specified in the Contract and Agreed Project Plan in accordance with the highest standards of professional competence and integrity.
- 24.2 Prices charged by the Supplier for Services, if not included in the Contract, shall be agreed upon in advance by the parties (including, but not restricted to, any prices submitted by the Supplier in the Recurrent Cost Schedules of its Bid) and shall not exceed the prevailing rates charged by the Supplier to other purchasers in the Purchaser's Country for similar services.
- 25. Inspections and Tests**
- 25.1 The Purchaser or its representative shall have the right to inspect and/or test any components of the System, as specified in the Technical Requirements, to confirm their good working order and/or conformity to the Contract at the point of delivery and/or at the Project Site.
- 25.2 The Purchaser or its representative shall be entitled to attend any such inspections and/or tests of the components, provided that the Purchaser shall bear all costs and expenses incurred in connection with such attendance, including but not limited to all inspection agent fees, travel, and related expenses. Whenever the Supplier is ready to carry out any such test and inspection, it shall give a reasonable advance notice, including the place and time, to the Purchaser. The Supplier shall obtain from any relevant third party or manufacturer any necessary permission or consent to enable the Purchaser or its designated representative to attend the test and/or inspection
- 25.3 Should the inspected or tested components fail to conform to the Contract, the Purchaser may reject the component(s), and the Supplier shall either replace the rejected component(s), or make alterations as necessary so that it meets the Contract requirements free of cost to the Purchaser.
- 25.4 The Project Manager may require the Supplier to carry out any inspection and/or test not specified in the Contract,

provided that the Supplier's reasonable costs and expenses incurred in the carrying out of such inspection and/or test shall be added to the Contract Price. Further, if such inspection and/or test impedes the progress of work on the System and/or the Supplier's performance of its other obligations under the Contract, due allowance will be made in respect of the Time for Achieving Operational Acceptance, Completion Dates and the other obligations so affected.

25.5 If any dispute shall arise between the parties in connection with or caused by an inspection and/or with regard to any component to be incorporated in the System that cannot be settled amicably between the parties within a reasonable period of time, either party may invoke the process pursuant to GCC Clause 43 (Settlement of Disputes), starting with referral of the matter to the Adjudicator in case an Adjudicator is included and named in the Contract Agreement.

25.6 The Supplier agrees that neither the execution of a test and/or inspection of the components or any part thereof, nor the attendance by the Purchaser or its representative, nor the issue of any report of the results of any such test and/or inspection, shall release the Supplier from any warranties or other obligations under the Contract

**26. Installation of  
the System**

26.1 As soon as the System, or any Subsystem, has, in the opinion of the Supplier, been delivered, Pre-commissioned, and made ready for Commissioning and Operational Acceptance Testing in accordance with the Technical Requirements, the SCC and the Agreed Project Plan, the Supplier shall so notify the Purchaser in writing.

26.2 The Project Manager shall, within fourteen (14) days after receipt of the Supplier's notice under GCC Clause 26.1, either issue an Installation Certificate in the form specified in the Sample Contractual Forms Section in the bidding documents, stating that the System, or major component or Subsystem (if Acceptance by major component or Subsystem is specified pursuant to the SCC for GCC Clause 27.2.1), has achieved Installation by the date of the Supplier's notice under GCC Clause 26.1, or notify the Supplier in writing of any defects and/or deficiencies, including, but not limited to, defects or deficiencies in the interoperability or integration of the various components

and/or Subsystems making up the System. The Supplier shall use all reasonable endeavors to promptly remedy any defect and/or deficiencies that the Project Manager has notified the Supplier of. The Supplier shall then promptly carry out retesting of the System or Subsystem and, when in the Supplier's opinion the System or Subsystem is ready for Commissioning and Operational Acceptance Testing, notify the Purchaser in writing, in accordance with GCC Clause 26.1. The procedure set out in this GCC Clause 26.2 shall be repeated, as necessary, until an Installation Certificate is issued.

- 26.3 If the Project Manager fails to issue the Installation Certificate and fails to inform the Supplier of any defects and/or deficiencies within fourteen (14) days after receipt of the Supplier's notice under GCC Clause 26.1, or if the Purchaser puts the System or a Subsystem into production operation, then the System (or Subsystem) shall be deemed to have achieved successful Installation as of the date of the Supplier's notice or repeated notice, or when the Purchaser put the System into production operation, as the case may be.

**27.****Commissioning and Operational Acceptance****27.1 Commissioning**

27.1.1 Commissioning of the System (or Subsystem if specified pursuant to the SCC for GCC Clause 27.2.1) shall be commenced by the Supplier:

- (a) immediately after the Installation Certificate is issued by the Project Manager, pursuant to GCC Clause 26.2; or
- (b) as otherwise specified in the Technical Requirement or the Agreed Project Plan; or
- (c) immediately after Installation is deemed to have occurred, under GCC Clause 26.3.

27.1.2 The Purchaser shall supply the operating and technical personnel and all materials and information reasonably required to enable the Supplier to carry out its obligations with respect to Commissioning.

Production use of the System or Subsystem(s) shall not commence prior to the start of formal Operational Acceptance Testing.

**27.2 Operational Acceptance Tests**

27.2.1 The Operational Acceptance Tests (and repeats of such tests) shall be the primary responsibility of the Purchaser (in accordance with GCC Clause 10.9), but shall be conducted with the full cooperation of the Supplier during Commissioning of the System (or major components or Subsystem[s]), to ascertain whether the System (or major component or Subsystem[s]) conforms to the Technical Requirements and meets the standard of performance quoted in the Supplier's bid, including, but not restricted to, the functional and technical performance requirements. **Unless otherwise specified in the SCC**, the Operational Acceptance Tests during Commissioning will be conducted as specified in the Technical Requirements and/or the Agreed Project Plan.

At the Purchaser's discretion, Operational Acceptance Tests may also be performed on replacement Goods, upgrades and new version releases, and Goods that are added or field-modified after Operational Acceptance of the System.

27.2.2 If for reasons attributable to the Purchaser, the Operational Acceptance Test of the System (or Subsystem[s] or major components, pursuant to the SCC for GCC Clause 27.2.1) cannot be successfully completed within ninety (90) days from the date of Installation or any other period agreed upon in writing by the Purchaser and the Supplier, the Supplier shall be deemed to have fulfilled its obligations with respect to the technical and functional aspects of the Technical Specifications, SCC and/or the Agreed Project Plan, and GCC Clause 28.2 and 28.3 shall not apply.

### 27.3 Operational Acceptance

27.3.1 Subject to GCC Clause 27.4 (Partial Acceptance) below, Operational Acceptance shall occur in respect of the System, when

- (a) the Operational Acceptance Tests, as specified in the Technical Requirements, and/or SCC and/or the Agreed Project Plan have been successfully completed; or
- (b) the Operational Acceptance Tests have not been successfully completed or have not been carried



out for reasons that are attributable to the Purchaser within the period from the date of Installation or any other agreed-upon period as specified in GCC Clause 27.2.2 above; or

- (c) the Purchaser has put the System into production or use for sixty (60) consecutive days. If the System is put into production or use in this manner, the Supplier shall notify the Purchaser and document such use.

27.3.2 At any time after any of the events set out in GCC Clause 27.3.1 have occurred, the Supplier may give a notice to the Project Manager requesting the issue of an Operational Acceptance Certificate.

27.3.3 After consultation with the Purchaser, and within fourteen (14) days after receipt of the Supplier's notice, the Project Manager shall:

- (a) issue an Operational Acceptance Certificate; or
- (b) notify the Supplier in writing of any defect or deficiencies or other reason for the failure of the Operational Acceptance Tests; or
- (c) issue the Operational Acceptance Certificate, if the situation covered by GCC Clause 27.3.1 (b) arises.

27.3.4 The Supplier shall use all reasonable endeavors to promptly remedy any defect and/or deficiencies and/or other reasons for the failure of the Operational Acceptance Test that the Project Manager has notified the Supplier of. Once such remedies have been made by the Supplier, the Supplier shall notify the Purchaser, and the Purchaser, with the full cooperation of the Supplier, shall use all reasonable endeavors to promptly carry out retesting of the System or Subsystem. Upon the successful conclusion of the Operational Acceptance Tests, the Supplier shall notify the Purchaser of its request for Operational Acceptance Certification, in accordance with GCC Clause 27.3.3. The Purchaser shall then issue to the Supplier the Operational Acceptance Certification in accordance with GCC Clause 27.3.3 (a), or shall notify the Supplier of further defects, deficiencies, or other reasons for the failure of the Operational Acceptance Test. The procedure set out in this GCC Clause 27.3.4 shall be

repeated, as necessary, until an Operational Acceptance Certificate is issued.

27.3.5 If the System or Subsystem fails to pass the Operational Acceptance Test(s) in accordance with GCC Clause 27.2, then either:

- (a) the Purchaser may consider terminating the Contract, pursuant to GCC Clause 41.2.2;
- or
- (b) if the failure to achieve Operational Acceptance within the specified time period is a result of the failure of the Purchaser to fulfill its obligations under the Contract, then the Supplier shall be deemed to have fulfilled its obligations with respect to the relevant technical and functional aspects of the Contract, and GCC Clauses 30.3 and 30.4 shall not apply.

27.3.6 If within fourteen (14) days after receipt of the Supplier's notice the Project Manager fails to issue the Operational Acceptance Certificate or fails to inform the Supplier in writing of the justifiable reasons why the Project Manager has not issued the Operational Acceptance Certificate, the System or Subsystem shall be deemed to have been accepted as of the date of the Supplier's said notice.

#### 27.4 Partial Acceptance

27.4.1 If so specified in the SCC for GCC Clause 27.2.1, Installation and Commissioning shall be carried out individually for each identified major component or Subsystem(s) of the System. In this event, the provisions in the Contract relating to Installation and Commissioning, including the Operational Acceptance Test, shall apply to each such major component or Subsystem individually, and Operational Acceptance Certificate(s) shall be issued accordingly for each such major component or Subsystem of the System, subject to the limitations contained in GCC Clause 27.4.2.

27.4.2 The issuance of Operational Acceptance Certificates for individual major components or Subsystems pursuant to GCC Clause 27.4.1 shall not relieve the Supplier of its obligation to obtain an Operational Acceptance

Certificate for the System as an integrated whole (if so specified in the SCC for GCC Clauses 12.1 and 27.2.1) once all major components and Subsystems have been supplied, installed, tested, and commissioned.

- 27.4.3 In the case of minor components for the System that by their nature do not require Commissioning or an Operational Acceptance Test (e.g., minor fittings, furnishings, or site works, etc.), the Project Manager shall issue an Operational Acceptance Certificate within fourteen (14) days after the fittings and/or furnishings have been delivered and/or installed or the site works have been completed. The Supplier shall, however, use all reasonable endeavors to promptly remedy any defects or deficiencies in such minor components detected by the Purchaser or Supplier.

## F. GUARANTEES AND LIABILITIES

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### 28. Operational Acceptance Time Guarantee

- 28.1 The Supplier guarantees that it shall complete the supply, Installation, Commissioning, and achieve Operational Acceptance of the System (or Subsystems, pursuant to the SCC for GCC Clause 27.2.1) within the time periods specified in the Implementation Schedule and/or the Agreed Project Plan pursuant to GCC Clause 8.2, or within such extended time to which the Supplier shall be entitled under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).
- 28.2 **Unless otherwise specified in the SCC**, if the Supplier fails to supply, install, commission, and achieve Operational Acceptance of the System (or Subsystems pursuant to the SCC for GCC Clause 27.2.1) within the time for achieving Operational Acceptance specified in the Implementation Schedule or the Agreed Project Plan, or any extension of the time for achieving Operational Acceptance previously granted under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance), the Supplier shall pay to the Purchaser liquidated damages at the rate of one half of one percent per week as a percentage of the Contract Price (exclusive of Recurrent Costs if any), or the relevant part of the Contract Price if a Subsystem has not achieved Operational Acceptance. The aggregate amount of such liquidated damages shall in no event exceed the amount of ten (10) percent of the Contract Price (exclusive of Recurrent

Costs if any). Once the Maximum is reached, the Purchaser may consider termination of the Contract, pursuant to GCC Clause 41.2.2.

28.3 **Unless otherwise specified in the SCC**, liquidated damages payable under GCC Clause 28.2 shall apply only to the failure to achieve Operational Acceptance of the System (and Subsystems) as specified in the Implementation Schedule and/or Agreed Project Plan. This Clause 28.3 shall not limit, however, any other rights or remedies the Purchaser may have under the Contract for other delays.

28.4 If liquidated damages are claimed by the Purchaser for the System (or Subsystem), the Supplier shall have no further liability whatsoever to the Purchaser in respect to the Operational Acceptance time guarantee for the System (or Subsystem). However, the payment of liquidated damages shall not in any way relieve the Supplier from any of its obligations to complete the System or from any other of its obligations and liabilities under the Contract.

## **29. Defect Liability**

29.1 The Supplier warrants that the System, including all Information Technologies, Materials, and other Goods supplied and Services provided, shall be free from defects in the design, engineering, Materials, and workmanship that prevent the System and/or any of its components from fulfilling the Technical Requirements or that limit in a material fashion the performance, reliability, or extensibility of the System and/or Subsystems. **Unless otherwise specified in the SCC**, there will be NO exceptions and/or limitations to this warranty with respect to Software (or categories of Software). Commercial warranty provisions of products supplied under the Contract shall apply to the extent that they do not conflict with the provisions of this Contract.

29.2 The Supplier also warrants that the Information Technologies, Materials, and other Goods supplied under the Contract are new, unused, and incorporate all recent improvements in design that materially affect the System's or Subsystem's ability to fulfill the Technical Requirements.

29.3 **Unless otherwise specified in the SCC**, the Supplier warrants that: (i) all Goods components to be incorporated into the System form part of the Supplier's and/or

Subcontractor's current product lines, and (ii) they have been previously released to the market.

- 29.4 **Unless otherwise specified in the SCC**, the Warranty Period shall commence from the date of Operational Acceptance of the System (or of any major component or Subsystem for which separate Operational Acceptance is provided for in the Contract) and shall extend for thirty-six (36) months.
- 29.5 If during the Warranty Period any defect as described in GCC Clause 29.1 should be found in the design, engineering, Materials, and workmanship of the Information Technologies and other Goods supplied or of the Services provided by the Supplier, the Supplier shall promptly, in consultation and agreement with the Purchaser regarding appropriate remedying of the defects, and at its sole cost, repair, replace, or otherwise make good (as the Supplier shall, at its discretion, determine) such defect as well as any damage to the System caused by such defect. Any defective Information Technologies or other Goods that have been replaced by the Supplier shall remain the property of the Supplier.
- 29.6 The Supplier shall not be responsible for the repair, replacement, or making good of any defect, or of any damage to the System arising out of or resulting from any of the following causes:
- (a) improper operation or maintenance of the System by the Purchaser;
  - (b) normal wear and tear;
  - (c) use of the System with items not supplied by the Supplier, unless otherwise identified in the Technical Requirements, or approved by the Supplier; or
  - (d) modifications made to the System by the Purchaser, or a third party, not approved by the Supplier.
- 29.7 The Supplier's obligations under this GCC Clause 29 shall not apply to:
- (a) any materials that are normally consumed in operation or have a normal life shorter than the Warranty Period; or

- (b) any designs, specifications, or other data designed, supplied, or specified by or on behalf of the Purchaser or any matters for which the Supplier has disclaimed responsibility, in accordance with GCC Clause 21.1.2.

29.8 The Purchaser shall give the Supplier a notice promptly following the discovery of such defect, stating the nature of any such defect together with all available evidence. The Purchaser shall afford all reasonable opportunity for the Supplier to inspect any such defect. The Purchaser shall afford the Supplier all necessary access to the System and the site to enable the Supplier to perform its obligations under this GCC Clause 29.

29.9 The Supplier may, with the consent of the Purchaser, remove from the site any Information Technologies and other Goods that are defective, if the nature of the defect, and/or any damage to the System caused by the defect, is such that repairs cannot be expeditiously carried out at the site. If the repair, replacement, or making good is of such a character that it may affect the efficiency of the System, the Purchaser may give the Supplier notice requiring that tests of the defective part be made by the Supplier immediately upon completion of such remedial work, whereupon the Supplier shall carry out such tests.

If such part fails the tests, the Supplier shall carry out further repair, replacement, or making good (as the case may be) until that part of the System passes such tests. The tests shall be agreed upon by the Purchaser and the Supplier.

29.10 **Unless otherwise specified in the SCC**, the response times and repair/replacement times for Warranty Defect Repair are specified in the Technical Requirements. Nevertheless, if the Supplier fails to commence the work necessary to remedy such defect or any damage to the System caused by such defect within two weeks the Purchaser may, following notice to the Supplier, proceed to do such work or contract a third party (or parties) to do such work, and the reasonable costs incurred by the Purchaser in connection with such work shall be paid to the Purchaser by the Supplier or may be deducted by the Purchaser from any monies due the Supplier or claimed under the Performance Security.

- 29.11 If the System or Subsystem cannot be used by reason of such defect and/or making good of such defect, the Warranty Period for the System shall be extended by a period equal to the period during which the System or Subsystem could not be used by the Purchaser because of such defect and/or making good of such defect.
- 29.12 Items substituted for defective parts of the System during the Warranty Period shall be covered by the Defect Liability Warranty for the remainder of the Warranty Period applicable for the part replaced or three (3) months, whichever is greater. For reasons of information security, the Purchaser may choose to retain physical possession of any replaced defective information storage devices.
- 29.13 At the request of the Purchaser and without prejudice to any other rights and remedies that the Purchaser may have against the Supplier under the Contract, the Supplier will offer all possible assistance to the Purchaser to seek warranty services or remedial action from any subcontracted third-party producers or licensors of Goods included in the System, including without limitation assignment or transfer in favor of the Purchaser of the benefit of any warranties given by such producers or licensors to the Supplier.

**30.Functional  
Guarantees**

- 30.1 The Supplier guarantees that, once the Operational Acceptance Certificate(s) has been issued, the System represents a complete, integrated solution to the Purchaser's requirements set forth in the Technical Requirements and it conforms to all other aspects of the Contract. The Supplier acknowledges that GCC Clause 27 regarding Commissioning and Operational Acceptance governs how technical conformance of the System to the Contract requirements will be determined.
- 30.2 If, for reasons attributable to the Supplier, the System does not conform to the Technical Requirements or does not conform to all other aspects of the Contract, the Supplier shall at its cost and expense make such changes, modifications, and/or additions to the System as may be necessary to conform to the Technical Requirements and meet all functional and performance standards. The Supplier shall notify the Purchaser upon completion of the necessary changes, modifications, and/or additions and

shall request the Purchaser to repeat the Operational Acceptance Tests until the System achieves Operational Acceptance.

- 30.3 If the System (or Subsystem[s]) fails to achieve Operational Acceptance, the Purchaser may consider termination of the Contract, pursuant to GCC Clause 41.2.2, and forfeiture of the Supplier's Performance Security in accordance with GCC Clause 13.3 in compensation for the extra costs and delays likely to result from this failure.

**31. Intellectual  
Property  
Rights  
Warranty**

- 31.1 The Supplier hereby represents and warrants that:
- (a) the System as supplied, installed, tested, and accepted;
  - (b) use of the System in accordance with the Contract; and
  - (c) copying of the Software and Materials provided to the Purchaser in accordance with the Contract

do not and will not infringe any Intellectual Property Rights held by any third party and that it has all necessary rights or at its sole expense shall have secured in writing all transfers of rights and other consents necessary to make the assignments, licenses, and other transfers of Intellectual Property Rights and the warranties set forth in the Contract, and for the Purchaser to own or exercise all Intellectual Property Rights as provided in the Contract. Without limitation, the Supplier shall secure all necessary written agreements, consents, and transfers of rights from its employees and other persons or entities whose services are used for development of the System.

**32. Intellectual  
Property  
Rights  
Indemnity**

- 32.1 The Supplier shall indemnify and hold harmless the Purchaser and its employees and officers from and against any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability), that the Purchaser or its employees or officers may suffer as a result of any infringement or alleged infringement of any Intellectual Property Rights by reason of:
- (a) installation of the System by the Supplier or the use of the System, including the Materials, in the country where the site is located;



- (b) copying of the Software and Materials provided the Supplier in accordance with the Agreement; and
  - (c) sale of the products produced by the System in any country, except to the extent that such losses, liabilities, and costs arise as a result of the Purchaser's breach of GCC Clause 32.2.
- 32.2 Such indemnity shall not cover any use of the System, including the Materials, other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement resulting from the use of the System, or any products of the System produced thereby in association or combination with any other goods or services not supplied by the Supplier, where the infringement arises because of such association or combination and not because of use of the System in its own right.
- 32.3 Such indemnities shall also not apply if any claim of infringement:
  - (a) is asserted by a parent, subsidiary, or affiliate of the Purchaser's organization;
  - (b) is a direct result of a design mandated by the Purchaser's Technical Requirements and the possibility of such infringement was duly noted in the Supplier's Bid; or
  - (c) results from the alteration of the System, including the Materials, by the Purchaser or any persons other than the Supplier or a person authorized by the Supplier.
- 32.4 If any proceedings are brought or any claim is made against the Purchaser arising out of the matters referred to in GCC Clause 32.1, the Purchaser shall promptly give the Supplier notice of such proceedings or claims, and the Supplier may at its own expense and in the Purchaser's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Supplier fails to notify the Purchaser within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Purchaser shall be free to conduct the same on its own behalf. Unless the Supplier has so failed to notify the

Purchaser within the twenty-eight (28) days, the Purchaser shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Purchaser shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.

32.5 The Purchaser shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from and against any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Supplier or its employees, officers, or Subcontractors may suffer as a result of any infringement or alleged infringement of any Intellectual Property Rights arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided to the Supplier in connection with this Contract by the Purchaser or any persons (other than the Supplier) contracted by the Purchaser, except to the extent that such losses, liabilities, and costs arise as a result of the Supplier's breach of GCC Clause 32.8.

32.6 Such indemnity shall not cover

- (a) any use of the design, data, drawing, specification, or other documents or materials, other than for the purpose indicated by or to be reasonably inferred from the Contract;
- (b) any infringement resulting from the use of the design, data, drawing, specification, or other documents or materials, or any products produced thereby, in association or combination with any other Goods or Services not provided by the Purchaser or any other person contracted by the Purchaser, where the infringement arises because of such association or combination and not because of the use of the design, data, drawing, specification, or other documents or materials in its own right.

32.7 Such indemnities shall also not apply:

- (a) if any claim of infringement is asserted by a parent, subsidiary, or affiliate of the Supplier's organization;

- (b) to the extent that any claim of infringement is caused by the alteration, by the Supplier, or any persons contracted by the Supplier, of the design, data, drawing, specification, or other documents or materials provided to the Supplier by the Purchaser or any persons contracted by the Purchaser.

32.8 If any proceedings are brought or any claim is made against the Supplier arising out of the matters referred to in GCC Clause 32.5, the Supplier shall promptly give the Purchaser notice of such proceedings or claims, and the Purchaser may at its own expense and in the Supplier's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Purchaser fails to notify the Supplier within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Supplier shall be free to conduct the same on its own behalf. Unless the Purchaser has so failed to notify the Supplier within the twenty-eight (28) days, the Supplier shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Supplier shall, at the Purchaser's request, afford all available assistance to the Purchaser in conducting such proceedings or claim and shall be reimbursed by the Purchaser for all reasonable expenses incurred in so doing.

### **33. Limitation of Liability**

- 33.1 Provided the following does not exclude or limit any liabilities of either party in ways not permitted by applicable law:
- (a) the Supplier shall not be liable to the Purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Purchaser; and
  - (b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to any obligation of the Supplier to indemnify the Purchaser

with respect to intellectual property rights infringement.

## **G. RISK DISTRIBUTION**

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|----------------------------------|--|
| <b>34. Transfer of Ownership</b> | <p>34.1 With the exception of Software and Materials, the ownership of the Information Technologies and other Goods shall be transferred to the Purchaser at the time of Delivery or otherwise under terms that may be agreed upon and specified in the Contract Agreement.</p> <p>34.2 Ownership and the terms of usage of the Software and Materials supplied under the Contract shall be governed by GCC Clause 15 (Copyright) Clause 16 (Software License Agreements), and any elaboration in the Technical Requirements.</p> <p>34.3 Ownership of the Supplier's Equipment used by the Supplier and its Subcontractors in connection with the Contract shall remain with the Supplier or its Subcontractors.</p>  |
| <b>35. Care of the System</b>    | <p>35.1 The Purchaser shall become responsible for the care and custody of the System or Subsystems upon their Delivery. The Purchaser shall make good at its own cost any loss or damage that may occur to the System or Subsystems from any cause from the date of Delivery until the date of Operational Acceptance of the System or Subsystems, pursuant to GCC Clause 27 (Commissioning and Operational Acceptance), excepting such loss or damage arising from acts or omissions of the Supplier, its employees, or subcontractors.</p> <p>35.2 If any loss or damage occurs to the System or any part of the System by reason of:</p> <ul style="list-style-type: none"> <li>(a) (insofar as they relate to the country where the Project Site is located) nuclear reaction, nuclear radiation, radioactive contamination, a pressure wave caused by aircraft or other aerial objects, or any other occurrences that an experienced Supplier could not reasonably foresee, or if reasonably foreseeable could not reasonably make provision for or insure against, insofar as such risks are not normally insurable on the insurance market and are mentioned in the general exclusions of the policy of insurance taken out under GCC Clause 37;</li> <li>(b) any use not in accordance with the Contract, by the Purchaser or any third party;</li> </ul> |

- (c) any use of or reliance upon any design, data, or specification provided or designated by or on behalf of the Purchaser, or any such matter for which the Supplier has disclaimed responsibility in accordance with GCC Clause 21.1.2,

the Purchaser shall pay to the Supplier all sums payable in respect of the System or Subsystems that have achieved Operational Acceptance, notwithstanding that the same be lost, destroyed, or damaged. If the Purchaser requests the Supplier in writing to make good any loss or damage to the System thereby occasioned, the Supplier shall make good the same at the cost of the Purchaser in accordance with GCC Clause 39. If the Purchaser does not request the Supplier in writing to make good any loss or damage to the System thereby occasioned, the Purchaser shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the System thereby lost, destroyed, or damaged, or, where the loss or damage affects a substantial part of the System, the Purchaser shall terminate the Contract pursuant to GCC Clause 41.1.

- 35.3 The Purchaser shall be liable for any loss of or damage to any Supplier's Equipment which the Purchaser has authorized to locate within the Purchaser's premises for use in fulfillment of Supplier's obligations under the Contract, except where such loss or damage arises from acts or omissions of the Supplier, its employees, or subcontractors.

- 36. Loss of or Damage to Property; Accident or Injury to Workers; Indemnification**
- 36.1 The Supplier and each and every Subcontractor shall abide by the job safety, insurance, customs, and immigration measures prevalent and laws in force in the Purchaser's Country.
- 36.2 Subject to GCC Clause 36.3, the Supplier shall indemnify and hold harmless the Purchaser and its employees and officers from and against any and all losses, liabilities and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Purchaser or its employees or officers may suffer as a result of the death or injury of any person or loss of or damage to any property (other than the System, whether accepted or not) arising in connection with the supply, installation, testing, and Commissioning of the System and by reason of the negligence of the Supplier or its Subcontractors, or their employees, officers or agents, except any injury, death, or property damage caused by the negligence of the Purchaser, its contractors, employees, officers, or agents.
- 36.3 If any proceedings are brought or any claim is made against the Purchaser that might subject the Supplier to liability under GCC Clause 36.2, the Purchaser shall promptly give the Supplier notice of such proceedings or claims, and the Supplier may at its own expense and in the Purchaser's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Supplier fails to notify the Purchaser within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Purchaser shall be free to conduct the same on its own behalf. Unless the Supplier has so failed to notify the Purchaser within the twenty-eight (28) day period, the Purchaser shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Purchaser shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.
- 36.4 The Purchaser shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Supplier or its employees, officers, or Subcontractors may suffer as a result of the death or personal injury of any person or loss of or damage to property of the Purchaser,

other than the System not yet achieving Operational Acceptance, that is caused by fire, explosion, or any other perils, in excess of the amount recoverable from insurances procured under GCC Clause 37 (Insurances), provided that such fire, explosion, or other perils were not caused by any act or failure of the Supplier.

- 36.5 If any proceedings are brought or any claim is made against the Supplier that might subject the Purchaser to liability under GCC Clause 36.4, the Supplier shall promptly give the Purchaser notice of such proceedings or claims, and the Purchaser may at its own expense and in the Supplier's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Purchaser fails to notify the Supplier within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Supplier shall be free to conduct the same on its own behalf. Unless the Purchaser has so failed to notify the Supplier within the twenty-eight (28) days, the Supplier shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Supplier shall, at the Purchaser's request, afford all available assistance to the Purchaser in conducting such proceedings or claim and shall be reimbursed by the Purchaser for all reasonable expenses incurred in so doing.
- 36.6 The party entitled to the benefit of an indemnity under this GCC Clause 36 shall take all reasonable measures to mitigate any loss or damage that has occurred. If the party fails to take such measures, the other party's liabilities shall be correspondingly reduced.

- 37. Insurances** 37.1 The Supplier shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurance set forth below. The identity of the insurers and the form of the policies shall be subject to the approval of the Purchaser, who should not unreasonably withhold such approval.

(a) Cargo Insurance During Transport

as applicable, 110 percent of the price of the Information Technologies and other Goods in a freely convertible currency, covering the Goods from physical loss or damage during shipment through receipt at the Project Site.

(b) Installation “All Risks” Insurance

as applicable, 110 percent of the price of the Information Technologies and other Goods covering the Goods at the site from all risks of physical loss or damage (excluding only perils commonly excluded under “all risks” insurance policies of this type by reputable insurers) occurring prior to Operational Acceptance of the System.

(c) Third-Party Liability Insurance

On terms as **specified in the SCC**, covering bodily injury or death suffered by third parties (including the Purchaser’s personnel) and loss of or damage to property (including the Purchaser’s property and any Subsystems that have been accepted by the Purchaser) occurring in connection with the supply and installation of the Information System.

(d) Automobile Liability Insurance

In accordance with the statutory requirements prevailing in the Purchaser’s Country, covering use of all vehicles used by the Supplier or its Subcontractors (whether or not owned by them) in connection with the execution of the Contract.

(e) Other Insurance (if any), as **specified in the SCC**.

- 37.2 The Purchaser shall be named as co-insured under all insurance policies taken out by the Supplier pursuant to GCC Clause 37.1, except for the Third-Party Liability, and the Supplier’s Subcontractors shall be named as co-insured under all insurance policies taken out by the Supplier pursuant to GCC Clause 37.1 except for Cargo Insurance During Transport. All insurer’s rights of subrogation against such co-insured for losses or claims arising out of the performance of the Contract shall be waived under such policies.
- 37.3 The Supplier shall deliver to the Purchaser certificates of insurance (or copies of the insurance policies) as evidence that the required policies are in full force and effect.
- 37.4 The Supplier shall ensure that, where applicable, its Subcontractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless



such Subcontractors are covered by the policies taken out by the Supplier.

37.5 If the Supplier fails to take out and/or maintain in effect the insurance referred to in GCC Clause 37.1, the Purchaser may take out and maintain in effect any such insurance and may from time to time deduct from any amount due the Supplier under the Contract any premium that the Purchaser shall have paid to the insurer or may otherwise recover such amount as a debt due from the Supplier.

37.6 Unless otherwise provided in the Contract, the Supplier shall prepare and conduct all and any claims made under the policies affected by it pursuant to this GCC Clause 37, and all monies payable by any insurers shall be paid to the Supplier. The Purchaser shall give to the Supplier all such reasonable assistance as may be required by the Supplier in connection with any claim under the relevant insurance policies. With respect to insurance claims in which the Purchaser's interest is involved, the Supplier shall not give any release or make any compromise with the insurer without the prior written consent of the Purchaser. With respect to insurance claims in which the Supplier's interest is involved, the Purchaser shall not give any release or make any compromise with the insurer without the prior written consent of the Supplier.

**38. Force  
Majeure**

38.1 "Force Majeure" shall mean any event beyond the reasonable control of the Purchaser or of the Supplier, as the case may be, and which is unavoidable notwithstanding the reasonable care of the party affected and shall include, without limitation, the following:

- (a) war, hostilities, or warlike operations (whether a state of war be declared or not), invasion, act of foreign enemy, and civil war;
- (b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion, and terrorist acts;
- (c) confiscation, nationalization, mobilization, commandeering or requisition by or under the order of any government or de jure or de facto authority or ruler, or any other act or failure to act of any local state or national government authority;
- (d) strike, sabotage, lockout, embargo, import restriction, port congestion, lack of usual means of public

transportation and communication, industrial dispute, shipwreck, shortage or restriction of power supply, epidemics, quarantine, and plague;

- (e) earthquake, landslide, volcanic activity, fire, flood or inundation, tidal wave, typhoon or cyclone, hurricane, storm, lightning, or other inclement weather condition, nuclear and pressure waves, or other natural or physical disaster;
- (f) failure, by the Supplier, to obtain the necessary export permit(s) from the governments of the Country(s) of Origin of the Information Technologies or other Goods, or Supplier's Equipment provided that the Supplier has made all reasonable efforts to obtain the required export permit(s), including the exercise of due diligence in determining the eligibility of the System and all of its components for receipt of the necessary export permits.

38.2 If either party is prevented, hindered, or delayed from or in performing any of its obligations under the Contract by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances of the event of Force Majeure within fourteen (14) days after the occurrence of such event.

38.3 The party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered, or delayed. The Time for Achieving Operational Acceptance shall be extended in accordance with GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

38.4 The party or parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect of the event of Force Majeure upon its or their performance of the Contract and to fulfill its or their obligations under the Contract, but without prejudice to either party's right to terminate the Contract under GCC Clause 38.6.

38.5 No delay or nonperformance by either party to this Contract caused by the occurrence of any event of Force Majeure shall:

- (a) constitute a default or breach of the Contract;

- (b) (subject to GCC Clauses 35.2, 38.3, and 38.4) give rise to any claim for damages or additional cost or expense occasioned by the delay or nonperformance,
- if, and to the extent that, such delay or nonperformance is caused by the occurrence of an event of Force Majeure.
- 38.6 If the performance of the Contract is substantially prevented, hindered, or delayed for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the time period covered by the Contract, the parties will attempt to develop a mutually satisfactory solution, failing which, either party may terminate the Contract by giving a notice to the other.
- 38.7 In the event of termination pursuant to GCC Clause 38.6, the rights and obligations of the Purchaser and the Supplier shall be as specified in GCC Clauses 41.1.2 and 41.1.3.
- 38.8 Notwithstanding GCC Clause 38.5, Force Majeure shall not apply to any obligation of the Purchaser to make payments to the Supplier under this Contract.

## **H. CHANGE IN CONTRACT ELEMENTS**

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### **39.Changes to the System**

#### **39.1 Introducing a Change**

39.1.1 Subject to GCC Clauses 39.2.5 and 39.2.7, the Purchaser shall have the right to propose, and subsequently require, the Project Manager to order the Supplier from time to time during the performance of the Contract to make any change, modification, addition, or deletion to, in, or from the System (interchangeably called "Change"), provided that such Change falls within the general scope of the System, does not constitute unrelated work, and is technically practicable, taking into account both the state of advancement of the System and the technical compatibility of the Change envisaged with the nature of the System as originally specified in the Contract.

A Change may involve, but is not restricted to, the substitution of updated Information Technologies and related Services in accordance with GCC Clause 23 (Product Upgrades).

- 39.1.2 The Supplier may from time to time during its performance of the Contract propose to the Purchaser (with a copy to the Project Manager) any Change that the Supplier considers necessary or desirable to improve the quality or efficiency of the System. The Purchaser may at its discretion approve or reject any Change proposed by the Supplier.
- 39.1.3 Notwithstanding GCC Clauses 39.1.1 and 39.1.2, no change made necessary because of any default of the Supplier in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Achieving Operational Acceptance.
- 39.1.4 The procedure on how to proceed with and execute Changes is specified in GCC Clauses 39.2 and 39.3, and further details and sample forms are provided in the Sample Contractual Forms Section in the bidding documents.
- 39.1.5 Moreover, the Purchaser and Supplier will agree, during development of the Project Plan, to a date prior to the scheduled date for Operational Acceptance, after which the Technical Requirements for the System shall be "frozen." Any Change initiated after this time will be dealt with after Operational Acceptance.
- 39.2 Changes Originating from Purchaser
- 39.2.1 If the Purchaser proposes a Change pursuant to GCC Clauses 39.1.1, it shall send to the Supplier a "Request for Change Proposal," requiring the Supplier to prepare and furnish to the Project Manager as soon as reasonably practicable a "Change Proposal," which shall include the following:
- (a) brief description of the Change;
  - (b) impact on the Time for Achieving Operational Acceptance;
  - (c) detailed estimated cost of the Change;
  - (d) effect on Functional Guarantees (if any);
  - (e) effect on any other provisions of the Contract.

39.2.2 Prior to preparing and submitting the "Change Proposal," the Supplier shall submit to the Project Manager a "Change Estimate Proposal," which shall be an estimate of the cost of preparing the Change Proposal, plus a first approximation of the suggested approach and cost for implementing the changes. Upon receipt of the Supplier's Change Estimate Proposal, the Purchaser shall do one of the following:

- (a) accept the Supplier's estimate with instructions to the Supplier to proceed with the preparation of the Change Proposal;
- (b) advise the Supplier of any part of its Change Estimate Proposal that is unacceptable and request the Supplier to review its estimate;
- (c) advise the Supplier that the Purchaser does not intend to proceed with the Change.

39.2.3 Upon receipt of the Purchaser's instruction to proceed under GCC Clause 39.2.2 (a), the Supplier shall, with proper expedition, proceed with the preparation of the Change Proposal, in accordance with GCC Clause 39.2.1. The Supplier, at its discretion, may specify a validity period for the Change Proposal, after which if the Purchaser and Supplier has not reached agreement in accordance with GCC Clause 39.2.6, then GCC Clause 39.2.7 shall apply.

39.2.4 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If the nature of the Change is such that the Contract rates and prices are inequitable, the parties to the Contract shall agree on other specific rates to be used for valuing the Change.

39.2.5 If before or during the preparation of the Change Proposal it becomes apparent that the aggregate impact of compliance with the Request for Change Proposal and with all other Change Orders that have already become binding upon the Supplier under this GCC Clause 39 would be to increase or decrease the Contract Price as originally set forth in Article 2 (Contract Price) of the Contract Agreement by more than fifteen (15) percent, the Supplier may give a written notice of objection to this Request for Change Proposal

prior to furnishing the Change Proposal. If the Purchaser accepts the Supplier's objection, the Purchaser shall withdraw the proposed Change and shall notify the Supplier in writing of its acceptance.

The Supplier's failure to so object to a Request for Change Proposal shall neither affect its right to object to any subsequent requested Changes or Change Orders, nor affect its right to take into account, when making such subsequent objection, the percentage increase or decrease in the Contract Price that any Change not objected to by the Supplier represents.

39.2.6 Upon receipt of the Change Proposal, the Purchaser and the Supplier shall mutually agree upon all matters contained in the Change Proposal. Within fourteen (14) days after such agreement, the Purchaser shall, if it intends to proceed with the Change, issue the Supplier a Change Order. If the Purchaser is unable to reach a decision within fourteen (14) days, it shall notify the Supplier with details of when the Supplier can expect a decision. If the Purchaser decides not to proceed with the Change for whatever reason, it shall, within the said period of fourteen (14) days, notify the Supplier accordingly. Under such circumstances, the Supplier shall be entitled to reimbursement of all costs reasonably incurred by it in the preparation of the Change Proposal, provided that these do not exceed the amount given by the Supplier in its Change Estimate Proposal submitted in accordance with GCC Clause 39.2.2.

39.2.7 If the Purchaser and the Supplier cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Achieving Operational Acceptance, or any other matters identified in the Change Proposal, the Change will not be implemented. However, this provision does not limit the rights of either party under GCC Clause 6 (Settlement of Disputes).

### 39.3 Changes Originating from Supplier

If the Supplier proposes a Change pursuant to GCC Clause 39.1.2, the Supplier shall submit to the Project Manager a written "Application for Change Proposal,"

giving reasons for the proposed Change and including the information specified in GCC Clause 39.2.1. Upon receipt of the Application for Change Proposal, the parties shall follow the procedures outlined in GCC Clauses 39.2.6 and 39.2.7. However, should the Purchaser choose not to proceed or the Purchaser and the Supplier cannot come to agreement on the change during any validity period that the Supplier may specify in its Application for Change Proposal, the Supplier shall not be entitled to recover the costs of preparing the Application for Change Proposal, unless subject to an agreement between the Purchaser and the Supplier to the contrary.

- 39.4 Value engineering. The Supplier may prepare, at its own cost, a value engineering proposal at any time during the performance of the Contract. The value engineering proposal shall, at a minimum, include the following;
- (a) the proposed change(s), and a description of the difference to the existing Contract requirements;
  - (b) a full cost/benefit analysis of the proposed change(s) including a description and estimate of costs (including life cycle costs) the Purchaser may incur in implementing the value engineering proposal; and
  - (c) a description of any effect(s) of the change on performance/functionality.

The Purchaser may accept the value engineering proposal if the proposal demonstrates benefits that:

- (a) accelerates the delivery period; or
- (b) reduces the Contract Price or the life cycle costs to the Purchaser; or
- (c) improves the quality, efficiency, safety or sustainability of the systems; or
- (d) yields any other benefits to the Purchaser,

without compromising the necessary functions of the systems.

If the value engineering proposal is approved by the Purchaser and results in:

- (a) a reduction of the Contract Price; the amount to be paid to the Supplier shall be the percentage specified in the SCC of the reduction in the Contract Price; or

- (b) an increase in the Contract Price; but results in a reduction in life cycle costs due to any benefit described in (a) to (d) above,

the amount to be paid to the Supplier shall be the full increase in the Contract Price.

**40. Extension of Time for Achieving Operational Acceptance**

40.1 The time(s) for achieving Operational Acceptance specified in the Schedule of Implementation shall be extended if the Supplier is delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:

- (a) any Change in the System as provided in GCC Clause 39 (Change in the Information System);
- (b) any occurrence of Force Majeure as provided in GCC Clause 38 (Force Majeure);
- (c) default of the Purchaser; or
- (d) any other matter specifically mentioned in the Contract;

by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Supplier.

40.2 Except where otherwise specifically provided in the Contract, the Supplier shall submit to the Project Manager a notice of a claim for an extension of the time for achieving Operational Acceptance, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. As soon as reasonably practicable after receipt of such notice and supporting particulars of the claim, the Purchaser and the Supplier shall agree upon the period of such extension. In the event that the Supplier does not accept the Purchaser's estimate of a fair and reasonable time extension, the Supplier shall be entitled to refer the matter to the provisions for the Settlement of Disputes pursuant to GCC Clause 43.

40.3 The Supplier shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract.

**41. Termination**

41.1 Termination for Purchaser's Convenience



41.1.1 The Purchaser may at any time terminate the Contract for any reason by giving the Supplier a notice of termination that refers to this GCC Clause 41.1.

41.1.2 Upon receipt of the notice of termination under GCC Clause 41.1.1, the Supplier shall either as soon as reasonably practical or upon the date specified in the notice of termination

- (a) cease all further work, except for such work as the Purchaser may specify in the notice of termination for the sole purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;
- (b) terminate all subcontracts, except those to be assigned to the Purchaser pursuant to GCC Clause 41.1.2 (d) (ii) below;
- (c) remove all Supplier's Equipment from the site, repatriate the Supplier's Personnel from the site, remove from the site any wreckage, rubbish, and debris of any kind;
- (d) in addition, the Supplier, subject to the payment specified in GCC Clause 41.1.3, shall
  - (i) deliver to the Purchaser the parts of the System executed by the Supplier up to the date of termination;
  - (ii) to the extent legally possible, assign to the Purchaser all right, title, and benefit of the Supplier to the System, or Subsystem, as at the date of termination, and, as may be required by the Purchaser, in any subcontracts concluded between the Supplier and its Subcontractors;
  - (iii) deliver to the Purchaser all nonproprietary drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

41.1.3 In the event of termination of the Contract under GCC Clause 41.1.1, the Purchaser shall pay to the Supplier the following amounts:

- (a) the Contract Price, properly attributable to the parts of the System executed by the Supplier as of the date of termination;
- (b) the costs reasonably incurred by the Supplier in the removal of the Supplier's Equipment from the site and in the repatriation of the Supplier's Personnel;
- (c) any amount to be paid by the Supplier to its Subcontractors in connection with the termination of any subcontracts, including any cancellation charges;
- (d) costs incurred by the Supplier in protecting the System and leaving the site in a clean and safe condition pursuant to GCC Clause 41.1.2 (a); and
- (e) the cost of satisfying all other obligations, commitments, and claims that the Supplier may in good faith have undertaken with third parties in connection with the Contract and that are not covered by GCC Clauses 41.1.3 (a) through (d) above.

#### 41.2 Termination for Supplier's Default

41.2.1 The Purchaser, without prejudice to any other rights or remedies it may possess, may terminate the Contract forthwith in the following circumstances by giving a notice of termination and its reasons therefore to the Supplier, referring to this GCC Clause 41.2:

- (a) if the Supplier becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, if the Supplier is a corporation, a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Supplier takes or suffers any other analogous action in consequence of debt;
- (b) if the Supplier assigns or transfers the Contract or any right or interest therein in violation of the provision of GCC Clause 42 (Assignment); or

- (c) if the Supplier, in the judgment of the Purchaser has engaged in Fraud and Corruption, as defined in paragraph 2.2 a. of the Appendix 1 to the GCC, in competing for or in executing the Contract, including but not limited to willful misrepresentation of facts concerning ownership of Intellectual Property Rights in, or proper authorization and/or licenses from the owner to offer, the hardware, software, or materials provided under this Contract.

41.2.2 If the Supplier:

- (a) has abandoned or repudiated the Contract;
- (b) has without valid reason failed to commence work on the System promptly;
- (c) persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract without just cause;
- (d) refuses or is unable to provide sufficient Materials, Services, or labor to execute and complete the System in the manner specified in the Agreed Project Plan furnished under GCC Clause 19 at rates of progress that give reasonable assurance to the Purchaser that the Supplier can attain Operational Acceptance of the System by the Time for Achieving Operational Acceptance as extended;

then the Purchaser may, without prejudice to any other rights it may possess under the Contract, give a notice to the Supplier stating the nature of the default and requiring the Supplier to remedy the same. If the Supplier fails to remedy or to take steps to remedy the same within thirty (30) days of its receipt of such notice, then the Purchaser may terminate the Contract forthwith by giving a notice of termination to the Supplier that refers to this GCC Clause 41.2.

41.2.3 Upon receipt of the notice of termination under GCC Clauses 41.2.1 or 41.2.2, the Supplier shall, either immediately or upon such date as is specified in the notice of termination:

- (a) cease all further work, except for such work as the Purchaser may specify in the notice of termination for the sole purpose of protecting that part of the System already executed or any work required to leave the site in a clean and safe condition;
- (b) terminate all subcontracts, except those to be assigned to the Purchaser pursuant to GCC Clause 41.2.3 (d) below;
- (c) deliver to the Purchaser the parts of the System executed by the Supplier up to the date of termination;
- (d) to the extent legally possible, assign to the Purchaser all right, title and benefit of the Supplier to the System or Subsystems as at the date of termination, and, as may be required by the Purchaser, in any subcontracts concluded between the Supplier and its Subcontractors;
- (e) deliver to the Purchaser all drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as at the date of termination in connection with the System.

41.2.4 The Purchaser may enter upon the site, expel the Supplier, and complete the System itself or by employing any third party. Upon completion of the System or at such earlier date as the Purchaser thinks appropriate, the Purchaser shall give notice to the Supplier that such Supplier's Equipment will be returned to the Supplier at or near the site and shall return such Supplier's Equipment to the Supplier in accordance with such notice. The Supplier shall thereafter without delay and at its cost remove or arrange removal of the same from the site.

41.2.5 Subject to GCC Clause 41.2.6, the Supplier shall be entitled to be paid the Contract Price attributable to the portion of the System executed as at the date of termination and the costs, if any, incurred in protecting the System and in leaving the site in a clean and safe condition pursuant to GCC Clause 41.2.3 (a). Any sums due the Purchaser from the Supplier accruing prior to the date of termination shall be deducted from the amount to be paid to the Supplier under this Contract.

41.2.6 If the Purchaser completes the System, the cost of completing the System by the Purchaser shall be determined. If the sum that the Supplier is entitled to be paid, pursuant to GCC Clause 41.2.5, plus the reasonable costs incurred by the Purchaser in completing the System, exceeds the Contract Price, the Supplier shall be liable for such excess. If such excess is greater than the sums due the Supplier under GCC Clause 41.2.5, the Supplier shall pay the balance to the Purchaser, and if such excess is less than the sums due the Supplier under GCC Clause 41.2.5, the Purchaser shall pay the balance to the Supplier. The Purchaser and the Supplier shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

#### 41.3 Termination by Supplier

##### 41.3.1 If:

- (a) the Purchaser has failed to pay the Supplier any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause **pursuant to the SCC**, or commits a substantial breach of the Contract, the Supplier may give a notice to the Purchaser that requires payment of such sum, with interest on this sum as stipulated in GCC Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Purchaser to remedy the same, as the case may be. If the Purchaser fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, fails to remedy the breach or take steps to remedy the breach within fourteen (14) days after receipt of the Supplier's notice; or
- (b) the Supplier is unable to carry out any of its obligations under the Contract for any reason attributable to the Purchaser, including but not limited to the Purchaser's failure to provide possession of or access to the site or other areas or failure to obtain any governmental permit

necessary for the execution and/or completion of the System;

then the Supplier may give a notice to the Purchaser of such events, and if the Purchaser has failed to pay the outstanding sum, to approve the invoice or supporting documents, to give its reasons for withholding such approval, or to remedy the breach within twenty-eight (28) days of such notice, or if the Supplier is still unable to carry out any of its obligations under the Contract for any reason attributable to the Purchaser within twenty-eight (28) days of the said notice, the Supplier may by a further notice to the Purchaser referring to this GCC Clause 41.3.1, forthwith terminate the Contract.

41.3.2 The Supplier may terminate the Contract immediately by giving a notice to the Purchaser to that effect, referring to this GCC Clause 41.3.2, if the Purchaser becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, being a corporation, if a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Purchaser takes or suffers any other analogous action in consequence of debt.

41.3.3 If the Contract is terminated under GCC Clauses 41.3.1 or 41.3.2, then the Supplier shall immediately:

- (a) cease all further work, except for such work as may be necessary for the purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;
- (b) terminate all subcontracts, except those to be assigned to the Purchaser pursuant to Clause 41.3.3 (d) (ii);
- (c) remove all Supplier's Equipment from the site and repatriate the Supplier's Personnel from the site.
- (d) In addition, the Supplier, subject to the payment specified in GCC Clause 41.3.4, shall:

- (i) deliver to the Purchaser the parts of the System executed by the Supplier up to the date of termination;
- (ii) to the extent legally possible, assign to the Purchaser all right, title, and benefit of the Supplier to the System, or Subsystems, as of the date of termination, and, as may be required by the Purchaser, in any subcontracts concluded between the Supplier and its Subcontractors;
- (iii) to the extent legally possible, deliver to the Purchaser all drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

41.3.4 If the Contract is terminated under GCC Clauses 41.3.1 or 41.3.2, the Purchaser shall pay to the Supplier all payments specified in GCC Clause 41.1.3 and reasonable compensation for all loss, except for loss of profit, or damage sustained by the Supplier arising out of, in connection with, or in consequence of such termination.

41.3.5 Termination by the Supplier pursuant to this GCC Clause 41.3 is without prejudice to any other rights or remedies of the Supplier that may be exercised in lieu of or in addition to rights conferred by GCC Clause 41.3.

41.4 In this GCC Clause 41, the expression “portion of the System executed” shall include all work executed, Services provided, and all Information Technologies, or other Goods acquired (or subject to a legally binding obligation to purchase) by the Supplier and used or intended to be used for the purpose of the System, up to and including the date of termination.

41.5 In this GCC Clause 41, in calculating any monies due from the Purchaser to the Supplier, account shall be taken of any sum previously paid by the Purchaser to the Supplier under the Contract, including any advance payment paid **pursuant to the SCC.**

- 42. Assignment** 42.1 Neither the Purchaser nor the Supplier shall, without the express prior written consent of the other, assign to any third party the Contract or any part thereof, or any right, benefit, obligation, or interest therein or thereunder, except that the Supplier shall be entitled to assign either absolutely or by way of charge any monies due and payable to it or that may become due and payable to it under the Contract.

## **I. SETTLEMENT OF DISPUTES**

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**43. Settlement of Disputes** 43.1 Adjudication

43.1.1 If any dispute of any kind whatsoever shall arise between the Purchaser and the Supplier in connection with or arising out of the Contract, including without prejudice to the generality of the foregoing, any question regarding its existence, validity, or termination, or the operation of the System (whether during the progress of implementation or after its achieving Operational Acceptance and whether before or after the termination, abandonment, or breach of the Contract), the parties shall seek to resolve any such dispute by mutual consultation. If the parties fail to resolve such a dispute by mutual consultation within fourteen (14) days after one party has notified the other in writing of the dispute, then, if the Contract Agreement in Appendix 2 includes and names an Adjudicator, the dispute shall, within another fourteen (14) days, be referred in writing by either party to the Adjudicator, with a copy to the other party. If there is no Adjudicator specified in the Contract Agreement, the mutual consultation period stated above shall last twenty-eight (28) days (instead of fourteen), upon expiry of which either party may move to the notification of arbitration pursuant to GCC Clause 43.2.1.

43.1.2 The Adjudicator shall give his or her decision in writing to both parties within twenty-eight (28) days of the dispute being referred to the Adjudicator. If the Adjudicator has done so, and no notice of intention to commence arbitration has been given by either the Purchaser or the Supplier within fifty-six (56) days of



such reference, the decision shall become final and binding upon the Purchaser and the Supplier. Any decision that has become final and binding shall be implemented by the parties forthwith.

43.1.3 The Adjudicator shall be paid an hourly fee at the rate specified in the Contract Agreement plus reasonable expenditures incurred in the execution of duties as Adjudicator, and these costs shall be divided equally between the Purchaser and the Supplier.

43.1.4 Should the Adjudicator resign or die, or should the Purchaser and the Supplier agree that the Adjudicator is not fulfilling his or her functions in accordance with the provisions of the Contract, a new Adjudicator shall be jointly appointed by the Purchaser and the Supplier. Failing agreement between the two within twenty-eight (28) days, the new Adjudicator shall be appointed at the request of either party by the Appointing Authority **specified in the SCC**, or, if no Appointing Authority is **specified in SCC**, the Contract shall, from this point onward and until the parties may otherwise agree on an Adjudicator or an Appointing Authority, be implemented as if there is no Adjudicator.

## 43.2 Arbitration

### 43.2.1 If

- (a) the Purchaser or the Supplier is dissatisfied with the Adjudicator's decision and acts before this decision has become final and binding pursuant to GCC Clause 43.1.2, or
- (b) the Adjudicator fails to give a decision within the allotted time from referral of the dispute pursuant to GCC Clause 43.1.2, and the Purchaser or the Supplier acts within the following fourteen (14) days, or
- (c) in the absence of an Adjudicator from the Contract Agreement, the mutual consultation pursuant to GCC Clause 43.1.1 expires without resolution of the dispute and the Purchaser or the Supplier acts within the following fourteen (14) days,

then either the Purchaser or the Supplier may act to give notice to the other party, with a copy for

information to the Adjudicator in case an Adjudicator had been involved, of its intention to commence arbitration, as provided below, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.

43.2.2 Any dispute in respect of which a notice of intention to commence arbitration has been given, in accordance with GCC Clause 43.2.1, shall be finally settled by arbitration. Arbitration may be commenced prior to or after Installation of the Information System.

43.2.3 Arbitration proceedings shall be conducted in accordance with the rules of procedure **specified in the SCC.**

43.3 Notwithstanding any reference to the Adjudicator or arbitration in this clause,

- (a) the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree;
- (b) the Purchaser shall pay the Supplier any monies due the Supplier.

## APPENDIX 1 TO GENERAL CONDITIONS

### Fraud and Corruption

*(Text in this Appendix shall not be modified)*

#### i. Purpose

- 1.1 The Bank's Integrity Framework and this annex apply with respect to procurement under Bank Investment Project Financing operations.

#### ii. Requirements

- 2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption<sup>i</sup>.

- 2.2 To this end, the Bank:

- a. Defines, for the purposes of this provision, the terms set forth below as follows:

1. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party<sup>ii</sup>;
2. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party<sup>iii</sup> to obtain financial or other benefit or to avoid an obligation;
3. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
4. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
5. "obstructive practice" is:
  - (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

- (b) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.
- b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
  - c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
  - d. Pursuant to the Bank's Integrity Framework and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>1</sup> (ii) to be a nominated<sup>2</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
  - e. Requires that a clause be included in bidding documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect<sup>3</sup> all accounts,

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<sup>1</sup> For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>2</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

<sup>3</sup> Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and

records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

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information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

## APPENDIX 2 TO GENERAL CONDITIONS

### Eligible Countries

#### Eligibility for the Provision of Goods, Works and Services in Bank Group Financed Procurement

A. Provisions under Section 5 “Eligibility” of the Procurement Policy for Bank Group Funded Operations and Chapter A2 of the Operations Procurement Manual under Procurement Framework of the African Development Bank

1. The African Development Fund (ADF) permits firms and individuals from all countries to offer goods, works and services for ADF funded projects.

However, the proceeds of any Financing undertaken in the operations of the African Development Bank (ADB) and the Nigeria Trust Fund (NTF) shall be used for procurement of goods and works, including the related services, provided by bidders from Eligible<sup>4</sup> Countries.<sup>5</sup> Any conditions for participation shall be limited to those that are essential to ensure the firm’s capability to fulfill the contract in question. In the case of ADB and NTF, bidders from non-Member Countries offering goods, works and related services (including transportation and insurance) are not eligible even if they offer these from Eligible Member Countries. Any waiver to this rule will be in accordance with the Articles 17(1) (d) of the Agreement Establishing the African Development Bank and 4.1 of the Agreement Establishing the Nigeria Trust Fund.

B. Rules and Procedures for Procurement of Goods and Works

#### Overview

1. The eligibility criteria for participation in the supply of goods, works and related services, to be procured through the ADB and NTF Financing, derive from the requirements of the Agreement Establishing the African Development Bank, Article 17.1.d, and the Agreement Establishing the Nigeria Trust Fund, Article 4.1. The foregoing requirements basically prescribe two types of eligibility criteria:
  - i) The eligibility of the bidder;
  - ii) The eligibility of the goods, works and related services.

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<sup>4</sup> Refer to Bank Framework for additional information on Eligibility.

<sup>5</sup> “Eligible Countries” shall mean: (a) in the case of the African Development Bank (ADB) and the Nigeria Trust Fund (NTF), the Member Countries of the ADB; and (b) in the case of the African Development Fund, any country.

## Eligibility of the Bidder Under the ADB & NTF Financing

2. The eligibility of the bidder shall be based on nationality, in accordance with the following rules:
  - (a) Natural Persons: A natural person is eligible if he or she is a national of a Member Country of the ADB. Where a person has more than one nationality, such a person shall be eligible if the nationality indicated in his or her bid is that of a Member Country of ADB.
  - (b) Corporations: A corporation is eligible if it satisfies the following criteria:
    - i) it is incorporated in a country that is a Member of the ADB;
    - ii) it is a national of a country that is a Member of the ADB, as determined by the law of its place of incorporation; and
    - iii) it has its principal place of business in a country that is a Member of the ADB.
  - (c) Joint Ventures and Associations: An unincorporated joint venture, partnership, or association, shall be eligible if more than 50% of the value of its works and/or services is executed by its members satisfying the eligibility requirements for individuals or corporations.

## Eligibility of the Goods, Works and Related Services

3. In order to be eligible, the goods to be procured must have been mined, grown, or produced, in the form in which they are purchased, in an Eligible Member Country.
4. For works contracts, which may include civil works, plant construction, or turnkey contracts, the contractor must satisfy the nationality criteria of eligibility, either as a natural person, or corporation, or joint venture and association. Labour, equipment, and materials needed for carrying out the works contract, shall be supplied from Eligible Member Countries.
5. For contracts, which have been awarded on the basis of Cost, Insurance and Freight (CIF), or Carriage and Insurance Paid (CIP), bidders shall be free to arrange for ocean and other transportation, and the related insurance, from any Eligible Member Country. On the other hand, where goods are shipped on FOB basis, and the Bank has agreed to finance transportation and insurance separately, which are arranged by the purchaser, under a separate contract, the Bank shall be satisfied that the services are supplied from Eligible Member Countries.

## List of Eligible Countries

6. List of Eligible countries can be found in African Development Bank's website:

<https://www.afdb.org/en/about-us/corporate-information/members/>

### Ineligible Countries in reference to ITB 4.8 and ITB 5.1

7. In reference to ITB 4.8 and ITB 5.1, for the information of the Bidders, at the present time firms, goods and services from the following countries are excluded from this Bidding process:

Under ITB 4.8(a) and ITB 5.1: ***"none"***.

Under ITB 4.8(b) and ITB 5.1: ***"none"***



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# **Special Conditions of Contract**

The following Special Conditions of Contract (SCC) shall supplement or amend the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions of the SCC shall prevail over those in the General Conditions of Contract. For the purposes of clarity, any referenced GCC clause numbers are indicated in the left column of the SCC.

## **A. CONTRACT AND INTERPRETATION**

### **Definitions (GCC Clause 1)**

GCC 1.1 (a) (i)	The Financing Institution is: African Development Fund (ADF)
GCC 1.1 (a) (ii)	The Purchaser is: <b>East African Community</b>
GCC 1.1 (b) (ii)	The Project Manager is: "To be nominated within fourteen (14) days of the Effective date" <b>TBD</b>
GCC 1.1 (e) (i)	Purchaser Country ; <b>United Republic of Tanzania</b>  Country of Project implementation; <b>Republic of South Sudan.</b>
GCC1.1 (e) (iii)	The Project Site is at ; <b>Bank of South Sudan (BOSS) Plot No.1 , Block D6, P.O. Box 136, Juba Market, Juba South Sudan</b>
GCC 1.1 (e) (x)	The Contract shall continue in force until the "Integrated Financial Management Information System and all the IT Infrastructure" have been provided unless the Contract is terminated earlier in accordance with the terms set out in the Contract.
GCC 1.1 (e) (xiii)	The Post-Warranty Services Period is <b>Forty Eight (48) months</b> starting with the completion of the Warranty Period.

**Notices (GCC Clause 4)**

GCC 4.3	<p>Address of the Project Manager:</p> <p><i>To be provided</i></p> <p>Fallback address of the Purchaser:</p> <p><i>To be provided</i></p>
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**B. SUBJECT MATTER OF CONTRACT****scope of the system (GCC Clause 7)**

GCC 7.3	<p>The supplier's obligation under the Contract will include the following recurrent cost items, as identified in the recurrent cost tables in the supplier's bid;</p> <ul style="list-style-type: none"> <li><b>(a) Software licenses and updates</b></li> <li><b>(b) Software maintenance</b></li> <li><b>(c) Operational support</b></li> </ul>
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**Time for Commencement and Operational Acceptance (GCC Clause 8)**

GCC 8.1	The Supplier shall commence work on the System within: <b>twenty one (21) of days</b> from the Effective Date of the Contract
GCC 8.2	Operational Acceptance will occur on or before; <b>the Date consistent with the Implementation Schedule as agreed in the Project Charter and Final Project Plan</b>

**Supplier's Responsibilities (GCC Clause 9)**

GCC 9.9	<p>The Supplier shall have the following additional responsibilities:</p> <p>None</p>
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**C. PAYMENT****Contract Price (GCC Clause 11)**

GCC 11.2	Adjustments to the Contract Price shall be as follows: None
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### Terms of Payment (GCC Clause 12)

GCC 12.1	<p>Subject to the provisions of GCC Clause 12 (Terms of Payment), the Purchaser shall pay the Contract Price to the Supplier according to the categories and in the manner specified below. Only the categories Advance Payment and Complete System Integration relate to the entire Contract Price. In other payment categories, the term "total Contract Price" means the total cost of goods or services under the specific payment category. Within each such category, the Contract Implementation Schedule may trigger pro-rata payments for the portion of the total Contract Price for the category corresponding to the goods or services actually Delivered, Installed, or Operationally Accepted, at unit prices and in the currencies specified in the Price Schedules of the Contract Agreement.</p> <p>a) (a) Advance Payment – <b>None</b></p> <p>b) <b>10% Upon delivery of the preliminary Project Plan (excluding recurrent cost)</b></p> <p>c) <b>Progress Payments - Implementation Services 70%</b> (excluding recurrent cost)</p> <ul style="list-style-type: none"> <li>• 30% upon acceptance of full system design specification</li> <li>• 30% upon implementation of ATS+ software on the cloud environment</li> <li>• 20% upon completion of training</li> <li>• 20% upon completion of testing on the cloud environment</li> </ul> <p>d) <b>Progress Payments – Hardware Costs 10%</b> (excluding recurrent cost)</p> <ul style="list-style-type: none"> <li>• 10% of contract price upon on-site delivery and acceptance of on-premise configured hardware</li> </ul> <p>e) <b>Operational Acceptance Payment - Complete System Integration 10%</b> (excluding recurrent cost)</p>
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	<ul style="list-style-type: none"> <li>10% of contract price being final payment against end-to-end testing of the cloud and on-premise systems covering Bank of South Sudan and operational acceptance of the system as an integrated whole.</li> </ul> <p>f) Recurrent Costs</p> <p>One hundred percent (100%) of the price of the services actually delivered will be paid annually in arrears, on submission and purchaser's approval of invoices</p> <p>All the payments shall be made within 45days of presentation of claim/clean invoice supported by a certificate from the Procuring Entity certified by Project Director and approved by Project Manager, declaring that the Goods/Services have been delivered and that all other contracted Services have been satisfactorily performed.</p>
GCC 12.3	The Purchaser shall pay to the Supplier interest on the delayed payments at a rate of: <b>0.25%</b> per annum
GCC 12.4	There are no Special Conditions of Contract applicable to GCC Clause 12.4

### Securities (GCC Clause 13)

GCC 13.3.1	The amount of Performance shall be <b>ten (10%)</b> percent of the contract price <b>denominated in the currency of the Contract</b> and remain valid up to 28 (twenty eight) days after completion of warranty period.
GCC 13.3.4	There are no Special Conditions of Contract applicable to GCC Clause 13.3.4 After completion of warranty period (i.e., start of post warranty period) amount of performance security may be reduced to 50% of its original amount.

## D. INTELLECTUAL PROPERTY

### Copyright (GCC Clause 15)

GCC 15.3	The Purchaser may assign, license, or otherwise voluntarily transfer its contractual rights to use the Standard Software or elements of
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	<p>the Standard Software, without the Supplier's prior written consent, under the following circumstances:</p> <p>In case of termination, abandonment, or breach of the Contract, the Supplier should provide the updated source codes (excluding source codes for commercial off the shelf software packages) for the proposed solution. The client reserves the rights to re-use and or modify the source codes.</p>
GCC 15.4	<p>The Purchaser's and Supplier's rights and obligations with respect to Custom Software or elements of the Custom Software are as follows:</p> <ul style="list-style-type: none"> <li>• The Purchaser is the owner of the Custom Software (i.e., ATS and related custom software).</li> <li>• The Purchaser's and Supplier's rights and obligations with respect to Custom Materials or elements of the Custom Materials are as follows: The Purchaser is the owner of the Custom Materials</li> </ul>
GCC 15.5	No software escrow arrangement is required for the execution of the Contract

### Software License Agreements (GCC Clause 16)

GCC 16.1 (a) (iv)	Use of the software shall be subject to the following additional restrictions: none.
GCC 16.1 (b) (vi)	The Software license shall permit the Software to be disclosed to and reproduced for use (including a valid sublicense) by support service suppliers or their subcontractors, exclusively for such suppliers or subcontractors in the performance of their support service contracts, subject to the same restrictions set forth in this Contract.
GCC 16.1 (b) (vii)	In addition to the persons specified in GCC Clause 16.1 (b) (vi), the Software may be disclosed to, and reproduced for use by persons authorized by MoFND subject to the same restrictions as are set forth in this Contract.
GCC 16.2	The Supplier's right to audit the Standard Software will be subject to the following terms: the Purchaser will allow, under a pre-specified procedure, execution of embedded software functions under Supplier's control, and unencumbered transmission of resulting information on software usage.

### Confidential Information (GCC Clause 17)

GCC 17.1	There are no modifications to the confidentiality terms expressed in GCC Clause 17.1
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## E. SUPPLY, INSTALLATION, TESTING, COMMISSIONING, AND ACCEPTANCE OF THE SYSTEM

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### Representatives (GCC Clause 18)

GCC 18.1	The Purchaser's Project Manager shall have the following additional powers and / or limitations to his or her authority to represent the Purchaser in matters relating to the Contract <b>no additional powers or limitations.</b>
GCC 18.2.2	The Supplier's Representative shall have the following additional powers and / or limitations to his or her authority to represent the Supplier in matters relating to the Contract <b>no additional powers or limitations.</b>

### Project Plan (GCC Clause 19)

GCC 19.1	<p>Bidders should submit a project plan describing, among other things, the methods to carry out overall management and co-ordination responsibilities if awarded the contract, and the human and other resources the bidders propose to use. The project plan shall also include a training plan. The plan must include a detailed implementation schedule in a Gantt chart, showing the estimated duration, sequence, and inter-relationship of all key activities needed to complete the contract. Mention must be made of the number of person months employed for completion of contract.</p> <p>Chapters in the Project Plan shall address the following subject:</p> <ul style="list-style-type: none"> <li>• Project Organization and Management Plan</li> <li>• Procurement Plan</li> <li>• Delivery and Installation Plan</li> <li>• Product Update, Upgrade and Support Plan</li> <li>• Quality Assurance Plan</li> <li>• Measurement Tools &amp; Processes proposed for monitoring performance of the system and service performance level</li> <li>• Risk Management Plan</li> <li>• Capacity Building Plan</li> </ul>
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	<ul style="list-style-type: none"> <li>• Communication Plan</li> <li>• Change Management Plan</li> <li>• Operational Acceptance Testing Plan</li> <li>• Project Work Plan</li> <li>• Task, Time and Resource Schedules</li> <li>• Operation &amp; Maintenance Plan</li> </ul>
GCC 19.6	<p>The Supplier shall submit to the Purchaser:</p> <p>(i) monthly quality assurance reports</p>

### Design and Engineering (GCC Clause 21)

GCC 21.3.1	<p>The Supplier shall prepare and furnish to the Project Manager the following documents for which the Supplier must obtain the Project Manager's approval before proceeding with work on the System or any Subsystem covered by the documents.</p> <ul style="list-style-type: none"> <li>• System configuration documents</li> <li>• System Requirements Blueprint and Fit-Gap Analysis</li> <li>• System Design document for any custom software development</li> <li>• Document defining roles required to operate, administer and maintain the system</li> <li>• Custom Report Development</li> <li>• Data Migration Plan</li> <li>• Training Plan</li> </ul>
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### Product Upgrades (GCC Clause 23)

GCC 23.4	<p>The Supplier shall provide the Purchaser with all <b>new versions, releases, and updates to all Standard Software during the Warranty Period, for free, as specified in the GCC.</b></p>
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### Inspections and Tests (GCC Clause 25)

GCC 25	<p>There are no Special Conditions of Contract applicable to GCC Clause 25.</p>
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### Commissioning and Operational Acceptance (GCC Clause 27)

GCC 27.2.1	<p>Operational Acceptance Testing shall be conducted in accordance with Technical Requirements.</p>
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## F. GUARANTEES AND LIABILITIES

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### Operational Acceptance Time Guarantee (GCC Clause 28)

GCC 28.2	Liquidated damages shall be assessed at one half of one percent (0.5%) per week of the respective phase contract price. The maximum liquidated damages are ten percent (10%) of the respective phase Contract Price.
GCC 28.3	Liquidated damages shall be assessed only with respect to <b>achieving Operational Acceptance</b> .

### Defect Liability (GCC Clause 29)

GCC 29.1	For Software, exceptions or limitations to the Supplier's warranty obligations shall be as follows: <b>None</b>
GCC 29.3	The supplier warrants that the following items have been released to the market for the following specific minimum time period; <b>All standard software must have been commercially available in the market for at least three (3) months.</b>
GCC 29.4	Warranty Period (N) will start from the date of operational acceptance of the system, or subsystem and will extend for 12 months.
GCC 29.10	During the Warranty Period, the Supplier must commence the work necessary to remedy defects or damage as per the service levels defined in this bidding document.

### Functional Guarantees (GCC Clause 30)

GCC 30	The ATS modules should be integrated to ensure seamless data exchange among stakeholders, data processing and reporting in order to meet all the functional and technical requirements as specified in this bid document.
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## G. RISK DISTRIBUTION

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### Insurances (GCC Clause 37)

GCC 37.1 (c)	<p>The Supplier shall obtain Third-Party Liability Insurance amounting to 15% of the contract value, excluding any recurrent cost.</p> <p>The third party liability insurance must cover injury, death, and/or property damage caused to a third party in the event of an accident</p>
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	<p>caused by or arising out of the supplier's (including all members of JV, in case of a JV and sub-contractors, as applicable) services mentioned in the contract.</p> <p>The Insurance shall cover the period from the Effective Date of the Contract until expiration or termination of the Contract.</p>
GCC 37.1 (e)	There are no Special Conditions of Contract applicable to GCC Clause 37.1 (e).

## H. CHANGE IN CONTRACT ELEMENTS

### Changes to the System (GCC Clause 39)

GCC 39.4	<p>There will be no provision for increase of cost due to subsequent change requests/proposal after award of the contract. It will be bidder's responsibility to evaluate all the required project deliverables and incorporate all cost elements based on which the submission of bid will be considered complete in all respect. Additional elements required for completion of the project deemed included within the contract price.</p>
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## I. SETTLEMENT OF DISPUTES

### Settlement of Disputes (GCC Clause 43)

GCC 43.1.1	The proposed Adjudicator is: East African Court of Justice (EACJ)
GCC 43.1.4	not applicable.
GCC 43.2.3	<p>If the Supplier is from outside the Purchaser's Country arbitration proceedings shall be conducted in accordance with the rules of arbitration of: <b>UNCITRAL</b>. These rules, in the version in force at the time of the request for arbitration, will be deemed to form part of this Contract.</p> <p>If the Supplier is a national of the Purchaser's Country, any dispute between the Purchaser and a Supplier arising in connection with the present Contract shall be referred to arbitration in accordance with the laws of the Purchaser's country.</p>





## Section X - Contract Forms

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## Notification of Intention to Award

*[This Notification of Intention to Award shall be sent to each Bidder that submitted a Bid.]*

*[Send this Notification to the Bidder's Authorized Representative named in the Bidder Information Form]*

For the attention of Bidder's Authorized Representative

Name: *[insert Authorized Representative's name]*

Address: *[insert Authorized Representative's Address]*

Telephone/Fax numbers: *[insert Authorized Representative's telephone/fax numbers]*

Email Address: *[insert Authorized Representative's email address]*

*[IMPORTANT: insert the date that this Notification is transmitted to Bidders. The Notification must be sent to all Bidders simultaneously. This means on the same date and as close to the same time as possible.]*

DATE OF TRANSMISSION: This Notification is sent by: *[email/fax]* on *[date]* (local time)

## Notification of Intention to Award

Purchaser: *[insert the name of the Purchaser]*

Project: *[insert name of project]*

Contract title: *[insert the name of the contract]*

Country: *[insert country where IFB is issued]*

Loan No. /Credit No. / Grant No.: *[insert reference number for loan/credit/grant]*

OCBI / LCB No: *[insert OCBI reference number from Procurement Plan]*

This Notification of Intention to Award (Notification) notifies you of our decision to award the above contract. The transmission of this Notification begins the Standstill Period. During the Standstill Period you may:

- a) request a debriefing in relation to the evaluation of your Bid, and/or
- b) submit a Procurement-related Complaint in relation to the decision to award the contract.

### 1. The successful Bidder

<b>Name:</b>	<i>[insert name of successful Bidder]</i>
<b>Address:</b>	<i>[insert address of the successful Bidder]</i>
<b>Contract price:</b>	<i>[insert contract price of the successful Bid]</i>

2. Other Bidders *[INSTRUCTIONS: insert names of all Bidders that submitted a Bid. If the Bid's price was evaluated include the evaluated price as well as the Bid price as read out.]*

Name of Bidder	Bid price	Evaluated Bid price (if applicable)
<i>[insert name]</i>	<i>[insert Bid price]</i>	<i>[insert evaluated price]</i>
<i>[insert name]</i>	<i>[insert Bid price]</i>	<i>[insert evaluated price]</i>
<i>[insert name]</i>	<i>[insert Bid price]</i>	<i>[insert evaluated price]</i>
<i>[insert name]</i>	<i>[insert Bid price]</i>	<i>[insert evaluated price]</i>
<i>[insert name]</i>	<i>[insert Bid price]</i>	<i>[insert evaluated price]</i>

3. Reason/s why your Bid was unsuccessful

*[INSTRUCTIONS: State the reason/s why this Bidder's Bid was unsuccessful. Do NOT include: (a) a point by point comparison with another Bidder's Bid or (b) information that is marked confidential by the Bidder in its Bid.]*

4. How to request a debriefing

**DEADLINE:** The deadline to request a debriefing expires at midnight on *[insert date]* (local time).

You may request a debriefing in relation to the results of the evaluation of your Bid. If you decide to request a debriefing your written request must be made within three (3) Business Days of receipt of this Notification of Intention to Award.

Provide the contract name, reference number, name of the Bidder, contact details; and address the request for debriefing as follows:

**Attention:** *[insert full name of person, if applicable]*

**Title/position:** *[insert title/position]*

**Agency:** *[insert name of Purchaser]*

**Email address:** *[insert email address]*

**Fax number:** *[insert fax number] delete if not used*

If your request for a debriefing is received within the 3 Business Days deadline, we will provide the debriefing within five (5) Business Days of receipt of your request. If we are unable to provide the debriefing within this period, the Standstill Period shall be extended by five (5) Business Days after the date that the debriefing is provided. If this happens, we will notify you and confirm the date that the extended Standstill Period will end.

The debriefing may be in writing, by phone, video conference call or in person. We shall promptly advise you in writing how the debriefing will take place and confirm the date and time.

If the deadline to request a debriefing has expired, you may still request a debriefing. In this case, we will provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of the Contract Award Notice.

## 5. How to make a complaint

**Period:** Procurement-related Complaint challenging the decision to award shall be submitted by midnight, *[insert date]* (local time).

Provide the contract name, reference number, name of the Bidder, contact details; and address the Procurement-related Complaint as follows:

**Attention:** *[insert full name of person, if applicable]*

**Title/position:** *[insert title/position]*

**Agency:** *[insert name of Purchaser]*

**Email address:** *[insert email address]*

**Fax number:** *[insert fax number] delete if not used*

At this point in the procurement process, you may submit a Procurement-related Complaint challenging the decision to award the contract. You do not need to have requested, or received, a debriefing before making this complaint. Your complaint must be submitted within the Standstill Period and received by us before the Standstill Period ends.

Further information:

For more information, see the Bank's Procurement Framework

In summary, there are four essential requirements:



1. You must be an 'interested party'. In this case, that means a Bidder who submitted a Bid in this bidding process, and is the recipient of a Notification of Intention to Award.
2. The complaint can only challenge the decision to award the contract.
3. You must submit the complaint within the period stated above.
4. You must include, in your complaint, all of the information required by the Procurement Framework.

## 6. Standstill Period

**DEADLINE:** The Standstill Period is due to end at midnight on [*insert date*] (local time).

The Standstill Period lasts ten (10) Business Days after the date of transmission of this Notification of Intention to Award.

The Standstill Period may be extended as stated in Section 4 above.

If you have any questions regarding this Notification, please do not hesitate to contact us.

On behalf of the Purchaser:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title/position: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

## Beneficial Ownership Disclosure Form

*INSTRUCTIONS TO BIDDERS: DELETE THIS BOX ONCE YOU HAVE COMPLETED THE FORM*

*This Beneficial Ownership Disclosure Form ("Form") is to be completed by the successful Bidder. In case of joint venture, the Bidder must submit a separate Form for each member. The beneficial ownership information to be submitted in this Form shall be current as of the date of its submission.*

*For the purposes of this Form, a Beneficial Owner of a Bidder is any natural person who ultimately owns or controls the Bidder by meeting one or more of the following conditions:*

- *directly or indirectly holding 25% or more of the shares*
- *directly or indirectly holding 25% or more of the voting rights*
- *directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder*

**OCBI / LCB No.:** *[insert number of bidding process.]*

**Invitation for Bid No.:** *[insert identification]*

**To:** *[insert complete name of Purchaser]*

In response to your request in the Letter of Acceptance *dated [insert date of letter of Acceptance]* to furnish additional information on beneficial ownership: *[select one option as applicable and delete the options that are not applicable]*

(i) we hereby provide the following beneficial ownership information.

### Details of beneficial ownership

Identity of Beneficial Owner	Directly or indirectly holding 25% or more of the shares (Yes / No)	Directly or indirectly holding 25 % or more of the Voting Rights (Yes / No)	Directly or indirectly having the right to appoint a majority of the board of the directors or an equivalent

			governing body of the Bidder (Yes / No)
<i>[include full name (last, middle, first), nationality, country of residence]</i>			

**OR**

(ii) *We declare that there is no Beneficial Owner meeting one or more of the following conditions:*

- directly or indirectly holding 25% or more of the shares
- directly or indirectly holding 25% or more of the voting rights
- directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder

**OR**

(iii) *We declare that we are unable to identify any Beneficial Owner meeting one or more of the following conditions. [If this option is selected, the Bidder shall provide explanation on why it is unable to identify any Beneficial Owner]*

- directly or indirectly holding 25% or more of the shares
- directly or indirectly holding 25% or more of the voting rights
- directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder]"

**Name of the Bidder:** \**[insert complete name of the Bidder]*

**Name of the person duly authorized to sign the Bid on behalf of the Bidder:** \*\**[insert complete name of person duly authorized to sign the Bid]*

**Title of the person signing the Bid:** *[insert complete title of the person signing the Bid]*

**Signature of the person named above:** *[insert signature of person whose name and capacity are shown above]*

**Date signed** *[insert date of signing]* day of *[insert month]*, *[insert year]*

\* In the case of the Bid submitted by a Joint Venture specify the name of the Joint Venture as Bidder. In the event that the Bidder is a joint venture, each reference to "Bidder" in the Beneficial Ownership

Disclosure Form (including this Introduction thereto) shall be read to refer to the joint venture member.

- \*\* Person signing the Bid shall have the power of attorney given by the Bidder. The power of attorney shall be attached with the Bid Schedules.

## Letter of Acceptance

*[use letterhead paper of the Purchaser]*

*[date]*

To: *[name and address of the Supplier]*

Subject: **Notification of Award Contract No.** . . . . .

This is to notify you that your Bid dated *[insert date]* for execution of the *[insert name of the contract and identification number, as given in the SCC]* for the Accepted Contract Amount of *[insert amount in numbers and words and name of currency]*, as corrected and modified in accordance with the Instructions to Bidders is hereby accepted by our Agency.

You are requested to furnish (i) the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose one of the Performance Security Forms and (ii) the additional information on beneficial ownership in accordance with BDS ITB 45.1 within eight (8) Business days using the Beneficial Ownership Disclosure Form, included in Section X, - Contract Forms, of the Bidding Document.

Authorized Signature: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Agency: \_\_\_\_\_

**Attachment: Contract Agreement**

## Contract Agreement

*[The successful Bidder shall fill in this form in accordance with the instructions indicated]*

THIS AGREEMENT made the *[insert: **number**]* day of *[insert: **month**]*, *[insert: **year**]*.

### BETWEEN

- (1) *[insert complete name of Purchaser]*, a *[insert description of type of legal entity, for example, an agency of the Ministry of .... of the Government of {insert name of Country of Purchaser}, or corporation incorporated under the laws of {insert name of Country of Purchaser}]* and having its principal place of business at *[insert address of Purchaser]* (hereinafter called "the Purchaser"), of the one part, and
- (2) *[insert name of Supplier]*, a corporation incorporated under the laws of *[insert: country of Supplier]* and having its principal place of business at *[insert: address of Supplier]* (hereinafter called "the Supplier"), of the other part:

WHEREAS the Purchaser invited Bids for certain Goods and ancillary services, viz., *[insert brief description of Goods and Services]* and has accepted a Bid by the Supplier for the supply of those Goods and Services

The Purchaser and the Supplier agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement. This Agreement shall prevail over all other contract documents.
  - (a) the Letter of Acceptance
  - (b) the Letter of Bid
  - (c) the Addenda Nos.\_\_\_\_ (if any)
  - (d) Special Conditions of Contract
  - (e) General Conditions of Contract
  - (f) the Specification (including Schedule of Requirements and Technical Specifications)
  - (g) the drawings

- (h) the completed Schedules (including Price Schedules)
  - (i) any other document listed in GCC as forming part of the Contract
3. In consideration of the payments to be made by the Purchaser to the Supplier as specified in this Agreement, the Supplier hereby covenants with the Purchaser to provide the Goods and Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the Goods and Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of *[insert the name of the Contract governing law country]* on the day, month and year indicated above.

For and on behalf of the Purchaser

Signed: *[insert signature]* \_\_\_\_\_  
in the capacity of *[insert title or other appropriate designation]*  
In the presence of *[insert identification of official witness]*

For and on behalf of the Supplier

Signed: *[insert signature of authorized representative(s) of the Supplier]* \_\_\_\_\_  
in the capacity of *[insert title or other appropriate designation]*  
in the presence of *[insert identification of official witness]*

## Performance Security

### Option 1: (Bank Guarantee)

*[The bank, as requested by the successful Bidder, shall fill in this form in accordance with the instructions indicated]*

*[Guarantor letterhead or SWIFT identifier code]*

**Beneficiary:** *[insert name and Address of Purchaser]*

**Date:** *[Insert date of issue]*

**PERFORMANCE GUARANTEE No.:** *[Insert guarantee reference number]*

**Guarantor:** *[Insert name and address of place of issue, unless indicated in the letterhead]*

We have been informed that \_ *[insert name of Supplier, which in the case of a joint venture shall be the name of the joint venture]* (hereinafter called "the Applicant") has entered into Contract No. *[insert reference number of the contract]* dated *[insert date]* with the Beneficiary, for the supply of \_ *[insert name of contract and brief description of Goods and related Services]* (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Applicant to issue this guarantee, we as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of *[insert amount in figures]* (\_\_\_\_\_) *[insert amount in words]*,<sup>1</sup> such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of the Beneficiary's complying demand supported by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Applicant is in breach of its obligation(s) under the Contract, without the Beneficiary needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire, no later than the .... Day of ....., 2...<sup>2</sup>, and any demand for payment under it must be received by us at this office indicated above on or before that date.

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<sup>1</sup> The Guarantor shall insert an amount representing the percentage of the Accepted Contract Amount specified in the Letter of Acceptance, and denominated either in the currency (ies) of the Contract or a freely convertible currency acceptable to the Beneficiary.

<sup>2</sup> Insert the date twenty-eight days after the expected completion date as described in GC Clause 18.4. The Purchaser should note that in the event of an extension of this date for completion of the Contract, the Purchaser would need to



This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.

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*[signature(s)]*

***Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.***

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request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Purchaser might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months] [one year], in response to the Beneficiary's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

## Option 2: Performance Bond

By this Bond *[insert name of Principal]* as Principal (hereinafter called "the Supplier") and *[insert name of Surety]* as Surety (hereinafter called "the Surety"), are held and firmly bound unto *[insert name of Purchaser]* as Obligee (hereinafter called "the Purchaser") in the amount of *[insert amount in words and figures]* specified as the penal sum of this Bond, for the payment of which sum well and truly to be made in the types and proportions of currencies in which the Contract Price is payable, the Supplier and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Supplier has entered into a written Agreement with the Purchaser dated the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, for *[name of contract and brief description of Goods and related Services]* in accordance with the documents, plans, specifications, and amendments thereto, which to the extent herein provided for, are by reference made part hereof and are hereinafter referred to as the Contract.

NOW, THEREFORE, the Condition of this Obligation is such that, if the Supplier shall promptly and faithfully perform the said Contract (including any amendments thereto), then this obligation shall be null and void; otherwise, it shall remain in full force and effect. Whenever the Supplier shall be, and declared by the Purchaser to be, in default under the Contract, the Purchaser having performed the Purchaser's obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

- (1) complete the Contract in accordance with its terms and conditions; or
- (2) obtain a Bid or Bids from qualified Bidders for submission to the Purchaser for completing the Contract in accordance with its terms and conditions, and upon determination by the Purchaser and the Surety of the lowest responsive Bidder, arrange for a Contract between such Bidder and Purchaser and make available as supply progresses (even though there should be a default or a succession of defaults under the Contract or Contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the Balance of the Contract Price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the specified penal sum set forth in the first paragraph hereof. The term "Balance of the Contract Price," as used in this paragraph, shall mean the total amount payable by Purchaser to Supplier under the Contract, less the amount properly paid by Purchaser to the Supplier; or

- (3) pay the Purchaser the amount required by Purchaser to complete the Contract in accordance with its terms and conditions up to a total not exceeding the specified penal sum of this Bond.

The Surety shall not be liable for a greater sum than the specified penal sum of this Bond.

Any suit under this Bond must be instituted before the expiration of one year from the date of completion of the contract.

No right of action shall accrue on this Bond to or for the use of any person or corporation other than the Purchaser named herein or the heirs, executors, administrators, successors, and assigns of the Purchaser.

In testimony whereof, the Supplier has hereunto set his hand and affixed his seal, and the Surety has caused these presents to be sealed with his corporate seal duly attested by the signature of his legal representative, this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.  
\_\_\_\_\_.

SIGNED ON \_\_\_\_\_ on behalf of \_\_\_\_\_

By \_\_\_\_\_ in the capacity of \_\_\_\_\_

In the presence of \_\_\_\_\_

SIGNED ON \_\_\_\_\_ on behalf of \_\_\_\_\_

By \_\_\_\_\_ in the capacity of \_\_\_\_\_

In the presence of \_\_\_\_\_

## Advance Payment Security

### Demand Guarantee

*[Guarantor letterhead or SWIFT identifier code]*

**Beneficiary:** *[Insert name and Address of Purchaser]*

**Date:** *[Insert date of issue]*

**ADVANCE PAYMENT GUARANTEE No.:** *[Insert guarantee reference number]*

**Guarantor:** *[Insert name and address of place of issue, unless indicated in the letterhead]*

We have been informed that *[insert name of Supplier, which in the case of a joint venture shall be the name of the joint venture]* (hereinafter called "the Applicant") has entered into Contract No. *[insert reference number of the contract]* dated *[insert date]* with the Beneficiary, for the execution of *[insert name of contract and brief description of Goods and related Services]* (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum *[insert amount in figures]* () *[insert amount in words]* is to be made against an advance payment guarantee.

At the request of the Applicant to issue this guarantee, we as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of *[insert amount in figures]* (\_\_\_\_) *[insert amount in words]*<sup>1</sup> upon receipt by us of the Beneficiary's complying demand supported by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating either that the Applicant:

- (a) has used the advance payment for purposes other than toward delivery of Goods; or
- (b) has failed to repay the advance payment in accordance with the Contract conditions, specifying the amount which the Applicant has failed to repay.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Beneficiary's bank stating that the advance payment

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<sup>1</sup> The Guarantor shall insert an amount representing the amount of the advance payment and denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the Purchaser.

referred to above has been credited to the Applicant on its account number *[insert number]* at *[insert name and address of Applicant's bank]*.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Applicant as specified in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate indicating that ninety (90) percent of the Accepted Contract Amount, has been certified for payment, or on the *[insert day]* day of *[insert month]*, 2 *[insert year]*, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No.758, except that the supporting statement under Article 15(a) is hereby excluded.

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*[signature(s)]*

***Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.***

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<sup>i</sup> In this context, any action to influence the procurement process or contract execution for undue advantage is improper

<sup>ii</sup> For the purpose of this sub-paragraph, "another party" refers to a public official acting in relation to the procurement process or contract execution, including Bank staff and employees of other organizations taking or reviewing procurement decisions.

<sup>iii</sup> For the purpose of this sub-paragraph, "party" refers to a public official, including Bank staff and employees of other organizations taking or reviewing procurement decisions.; the terms "benefit" and "obligation" relate to the procurement process or contract execution; and the "act or omission" is intended to influence the procurement process or contract execution."