

## **Terms of Reference**

### **Provision of Consultancy Services to support the Bank of Guyana in procurement and implementation of a Real Time Gross Settlement system and a Central Securities Depository system and Integration of Government Payments**

#### **1. Background/Introduction**

In fulfilment of its legal mandate to oversee Guyana's National Payments System (NPS), the Bank of Guyana (the BOG) is embarking on an initiative to modernise the country's NPS with assistance from the World Bank. The principal objective of the Guyana Payments System Project is to improve usage of financial services through the development of Guyana's NPS to enhance safety and efficiency of payments. This will be achieved by: (a) modernizing the financial sector infrastructure via adoption of electronic payments through newly acquired hardware and software; (b) supporting the capacity of the BOG to operate the newly acquired payment system; and (c) instituting effective oversight arrangements for the NPS. The BOG has been designated as the implementing agency of this project. Day-to-day execution of the project has been tasked to a Project Implementation Unit (PIU) within the BOG that will be responsible for planning, coordinating, implementing, managing, monitoring, finalizing and documenting the various project activities.

Implementation of a Real-Time Gross Settlement (RTGS) system for high-value electronic payments, and a Central Securities Depository (CSD) for electronic record keeping and electronic settlement of securities will be financed by a loan from the World Bank. These two systems will contribute to the development of the financial infrastructure of Guyana by: (i) improving efficiency and reducing credit, liquidity and systemic risk in large value funds transfers; and (ii) supporting the development of the Government securities and money markets.

The loan also makes provision for: (i) the procurement and implementation of connectivity infrastructure, and hardware and software systems required by several government institutions to conduct and facilitate electronic government payments through the new electronic payments infrastructures; and (ii) the procurement of consulting services to advise, guide and assist the BOG through the procurement and implementation of the systems.

Meanwhile, the BOG itself is funding the procurement and implementation of an Automated Clearing House (ACH) for low-value electronic payments.

The specification, procurement and implementation of hardware and software (including professional services) for the RTGS and CSD systems will be completed by the BOG. The BOG and the six commercial banks that are currently licensed to operate in Guyana will be the initial participants in this infrastructure at its commissioning. The systems will also facilitate linkages with the Ministry of Finance (MOF), the Guyana Revenue Authority (GRA) and the National Insurance Scheme (NIS) to enable straight-through processing of electronic payments (both high and low value). It must also integrate with the BOG's system for maintaining the bank accounts it holds for the commercial banks and Government of Guyana.

These Terms of Reference (TOR) are for the provision of consulting services to assist the BOG in procuring and implementing the RTGS and CSD systems and associated infrastructure elements.

## **2. Purpose of Services**

In order to assure the successful achievement of the BOG's NPS modernization objectives as described above, comprehensive consultancy services are required: (i) to advise and assist the BOG in the procurement and implementation processes for the RTGS and CSD systems and associated IT infrastructure (which will be acquired through a single procurement process to ensure that they will be tightly-coupled in operation); and (ii) to oversee the provision by the RTGS/CSD system supplier of, knowledge transfer and capacity building of BOG staff in the specific business and technical areas required for ongoing operation and management of the new systems.

The required services cover a wide range of capabilities, knowledge and experience which it is expected will be provided by an established firm with solid experience in procurement and implementation of payment systems (“**the Consultant Firm**”). The specific requirements are detailed in section 3 below.

## **3. Scope of the Assignment/Scope of Work**

The Services will cover two activity areas: (i) procurement and; (ii) implementation.

### **3.1 Procurement**

As described above, the BOG intends to procure RTGS and CSD systems. The Consultant Firm will work with the BOG and the PIU on the procurement process, including evaluation of proposals, and assist in finalizing a contract of supply with the selected supplier. The sequence of tasks is expected to be as follows.

1. Participating in a pre-bid meeting (teleconference) to be held between BOG and potential Bidders;
2. Reading and commenting on all proposals received;

3. Advising the BOG on conduct of the bid evaluation process;
4. Advising the BOG in preparing the Bid Evaluation Report for submission to the World Bank for No Objection;
5. After receipt of No Objection, advising the BOG on contract discussions with the successful Bidder, in particular preparing a list of items for discussion and agreement during contract discussions with the successful Bidder (but without acting on behalf of the BOG). These items will include the final required IT configuration to be delivered by the Supplier.

### **3.2 Implementation**

The Consultant Firm will provide advice and support to the BOG throughout the implementation of the RTGS system, CSD system and IT infrastructure<sup>1</sup>. Specific tasks will include:

1. Supporting the BOG in developing the Project Plan for implementation of the systems, based on the Preliminary Project Plan contained in the Supplier's Bid.
2. Providing support to the BOG in development of the final and detailed business and functional specification of the RTGS and CSD systems (which will be delivered by the Supplier).
3. Advising on assessment and sign-off of the detailed system specification.
4. Together with the Supplier, analysing the technical requirements and developing the associated specifications for interfacing RTGS and/or CSD systems to the following payments-related software applications:
  - i. BOG (SunSystems financial management system);
  - ii. BOG (Banking Integrated System, which is an in-house developed system);
  - iii. MOF (FreeBalance financial management system);
  - iv. GRA Inland Revenue Division (TRIPS tax management system);
  - v. GRA Customs Division (ASYCUDA World Customs system);
  - vi. NIS (proprietary system).

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<sup>1</sup> The IT infrastructure will comprise application and database servers, firewalls and other network devices, database management software (SQL Server), system software and middleware. Its precise specification will be discussed and agreed between the BOG and the supplier.

5. Conducting an assessment of the BOG's existing IT environment and preparing any necessary recommendations for upgrading it to accommodate the new equipment related to the RTGS and CSD systems.
6. Providing project management services as required for the overall system implementation.
7. Working closely with the Supplier of the systems and co-ordinating implementation activities across a number of organizations in addition to the BOG (including at least the commercial banks and previously-mentioned Government institutions), with a view to avoiding unnecessary delays in the implementation.
8. Overseeing the provision by the Supplier of advice and assistance to the BOG on a broad variety of aspects of the implementation which are strictly unrelated to putting the Systems into operation, including topics such as: policies and procedures for liquidity support, information security, management of digital certificates, disaster recovery, etc.; participant agreements; system rules; and so on. The Consultant Firm will not be expected to provide these items directly, but rather to advise the BOG on their quality, timeliness, etc.
9. Advising and assisting the BOG in working with external participants (banks, Government agencies, etc.) to prepare their systems and procedures for interfacing with the RTGS and CSD systems.
10. Providing support to the BOG in the installation and technical testing of the systems, including the close linkage both between the RTGS and CSD systems and other BOG and participants' systems as applicable.
11. Supporting the BOG in assuring itself that training in the systems is conducted successfully to a high quality in accordance with the Project Plan.
12. Supporting the BOG in assuring itself that User Acceptance Testing and technical (stress) testing of the systems are carried out successfully and in a timely manner.
13. Supporting the BOG and (as applicable) external participants in preparation for live running.
14. Advising the BOG on Operational Acceptance of the systems, including ensuring that the BOG has had the systems successfully subjected to a comprehensive external security review ("penetration test") carried out by a respected and professional external company.

#### **4. Deliverables**

The Consultant Firm will deliver the following to the BOG:

## Procurement

1. Comments on technical proposals.
2. A spreadsheet showing a comparative analysis of all financial proposals. (The purpose of this is to assist the BOG in ensuring that financial proposals are evaluated on an equal basis).
3. Bid Evaluation Report in the World Bank format.
4. A list of items for discussion and agreement during contract discussions including final specification of all IT items to be delivered by the Supplier.

## Implementation

1. Project plan.
2. Monthly project reports covering: progress against the Project Plan; issues arising; steps to be taken to address the issues, particularly any delays; any other items if needed.
3. Ad hoc reports as necessary addressing issues arising during the implementation.
4. Pre-Operational Acceptance (go-live) report.

## Project wrap-up

1. Final report reviewing the project.

## **5. Consultant Firm's team**

The project requires the exercise of a range of skills including:

1. Knowledge of payment systems and electronic inter-bank payment system infrastructures in general, and high-value payment and securities settlement systems in particular.
2. Financial management and accounting systems.
3. Functionality, management and operation of the RTGS and CSD systems including linkages to other systems such as the central bank's Inter-Bank clearing system and financial management systems, government financial systems, commercial banks' core banking systems, etc.
4. Procurement of information systems, specifically according to World Bank procurement regulations.
5. Implementation of RTGS and CSD systems.

6. Information and Communications Technology including analysing and defining technical specifications.

7. Project management.

The Consultant Firm will be required to provide a team covering all of these areas, and any others that may be necessary.

Each team member must have a minimum of five years demonstrated relevant experience. The team leader must have at least ten years' demonstrated relevant experience. All team members must be able to communicate effectively in the English language, both orally and in writing.

## **6. Proposal**

Proposals will be prepared by Bidders in the format specified in the World Bank's Standard Procurement Document "Request for Proposals – Consulting Services".