**USER GUIDELINES FOR** **RFP FOR BANKING SERVICES**

1. **The purpose** of the guidelines is to assist UNDP Offices to conduct the RFP for Banking Services. In accordance with UNDP procurement policies and procedures, this should be a competitive bidding process. [*For more information, see the User Guide Section on* “*Principles of Procurement*”.]
2. **The responsibility** for the award of a contract to a bank for the provision of banking services has been delegated by the Administrator to the Treasurer under UNDP Financial Regulations and Rules, Rule 125.01. Only the Treasurer can approve the recommendation made by the Resident Representative (RR), or the Head of Office following the RFP exercise. This approval leads to the issuance of a contract, known as the Agreement for Banking Services [ Agreement]. The Treasurer can delegate the signing of the Agreement to the RR or the Head of Office.
3. **The One UN principle** should be applied to the RFP for banking services. All UN agencies that have their own bank relationship [*excluding Atlas Agencies for which UNDP CO provides banking services*] in the country should be invited to participate in the RFP process. However, UN agencies are **not required** to participate.

1. **Costs** incurred in the process for procuring banking services, such as the RFP document printing and advertisement, should be shared among the UNDP CO and participating UN agencies equitably. CO should estimate these costs in advance, advise the participating UN agencies and obtain their written agreement to share the costs. The CO is responsible for the cost recovery for RFP for banking services locally.
2. **The RFP should contain the following documents:**
3. RFP Cover Letter
4. Section 1: Letter of Invitation
5. Section 2: Instructions to Proposers
6. Section 2: Data Sheet
7. Section 3: Term of Reference (TOR)
8. Section 4: Proposal Submission Format
9. Section 5: Technical Proposal Form
10. Section 6: Financial Proposal Form
11. Section 7: Personal Banking Services Form
12. Section 8: Standard Agreement for Banking Services (including General Terms and Conditions)
13. **The Steps for Conducting the RFP for Banking Services**

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|  | 1. **Prepare the draft RFP Documentation**
2. RFP Cover [*Insert the relevant information*]
3. Letter of Invitation [*Insert the relevant information*]
4. Instructions to Proposers [*Do not change the document*]
5. Data Sheet [*Complete the Data Sheet as appropriate*]
6. Terms of Reference (TOR) [*Insert relevant information and complete the table for Key Attributes of Banking Services*]
7. Proposal Submission Form [*Insert relevant information and sign the bottom of the last page*]
8. Technical Proposal Form [*Category A is not to be altered. If any other changes need to be made to this form, please ensure the changes are inserted in the relevant service categories as B, C, D, etc. This is to facilitate the ease of scoring in the evaluation process*]
9. Financial Proposal Form [*This Form maybe modified depending on type of services required by the office*]
10. Personal Banking Services Form [*This Form may be modified depending on type of services required by the office*]
11. Contract Form [*This is UNDP’s standard Agreement for Banking Services that we encourage all banks to adopt*]
12. All the above should be prepared by incorporating UN Participating Agencies input, business requirement and their review and comments to the final RFP document.
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|  | 1. **Nominate the Evaluation Panel members**
2. The UNDP members shall be :
* DRR (Operations) or Operations Manager
* Team Leader/Chief, Finance Section/Unit
* Procurement Officer/Associate
1. The participating UN agencies members shall be nominated by the heads of respective agencies:
* Maximum 3 members [*from all participating UN agencies*]
* Nominees should have proper qualifications, such as Operations Manager or Procurement Officers
* The Treasurer will nominate her/his representative in CO Cash Management Unit of Treasury as a focal point to provide support for the RFP process.
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|  | 1. **Seek Treasury review and clearance of 1 and 2 above**
2. Treasury should review the draft RFP, prospective banks and nominated Evaluation Panel members.
3. Treasury may seek clarification/amendments to the RFP draft document as appropriate.
4. Treasury authorizes the CO to proceed to next step.
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|  | 1. **Advertise the RFP which shall include:**
2. Announcement to prospective banks that the UNDP is seeking proposals for banking services
3. The office/location where the full RFP documentation can be picked up by prospective banks
4. The terms and conditions that govern the issuance of the RFP [*see ANNEX 1*]
5. RFP shall be advertised in the newspaper for 2 days and on UNDP website.
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|  | 1. **Distribute the RFP to qualified prospective banks**
2. The RFP should only be distributed to prospective banks that are members of SWIFT [the acronym for Society for Worldwide Interbank Financial Telecommunication]. The prospective banks must supply of their SWIFT code as the evidence of their memberships in SWIFT.
3. The CO determines the methods for distributing the RFP, either by mail, messenger delivery, or to be picked up by the banks.
4. The full RFP documentation may be “burnt” onto the appropriate number of CD-ROMs. This should reduce the costs of hard copy printing for UNDP. This also allows the prospective banks to provide the information required by the RFP and complete the Proposals in the electronic format which facilitates the review by the Evaluation Panel.
5. The CO must verify the contents of each CD-ROM after "burning" to ensure the accuracy and completeness of the RFP documents.
6. The full documentation should be made available to prospective banks. The prospective bank list must be cleared by Treasury.
7. The CO should keep a log to record the distribution and receipt details including :
* bank name
* address
* contact person and his/her email address
* the date the RFP is distributed
* the CO should stamp the date and time on the envelopes of the Proposals when they are received.
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|  | 1. **Hold the Pre-Bid Conference for prospective banks**
2. See RFP Section 2: Instructions to the Proposers, subsection F, No.28
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|  | 1. **Open the Technical Proposals**
2. The CO should form an ad-hoc committee with minimum 3 staff and/or officers.
3. The committee members should sign the Declaration of Impartiality.
4. If the Technical Proposal is in paper form, the committee members must initial all pages of the Proposal and count total pages.
5. The details above are to be documented on the Technical Proposal Opening Record.
6. The committee members should sign the Technical Proposal Opening Record after all Technical Proposals are opened.
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|  | 1. **Review and evaluate the Technical Proposals**
2. Use RFP Evaluation Tool/Technical Evaluation [*Annex 2*]
3. **A1** – **Credit Rating:** To evaluate the creditworthiness, or financial strength of the bank. Typically, ratings are expressed as letter grades that range from ‘AAA’, the strongest, to ‘D’ the weakest. Ratings are determined not based on mathematical formulas alone but rather on credit rating agencies’ judgment and experience in evaluating the qualitative and quantitative information including non-public information about entities including banks. Credit ratings give an independent assessment of a bank’s safety and soundness, and therefore, they must be given important consideration in assigning the score. If the bank is not rated by the internationally recognized credit rating agencies, the alternative option is to evaluate the ratings from the domestic credit rating company, or the bank ranking data from the country’s central bank.
4. **A2** – **Balance Sheet Position and Financial Statement Ratios:** To evaluate the bank’s operating results, capital position and strength, risk profile, growth and profit potential. Except for Total Liabilities, the higher the amount of Total Assets, Net Income, and the higher the ratio of Return on Asset (ROA), Bank Core Capital / Total Deposit Liabilities Ratio, Bank Core Capital / Total Risk Weighted Assets Ratio, Bank Liquidity Ratio, the better are the bank’s financial strength. When assigning the score, also pay attention to the trend (3 year comparison) and be alert to any negative trends in these ratios and balance sheet positions.
5. **A3** – **Geographical Coverage & Presence:** To evaluate the bank’s geographic coverage in areas where UNDP and participating UN agencies have programme projects and activities that require banking services.
6. **B1** – **Beneficiary Charges:** To evaluate the bank’s practice as to whether it charges a fixed fee or a percentage on each payment initiated by UNDP [*which reduces the payment amount to the beneficiary*]. UNDP expects the full amount of payment to be received by beneficiaries. Payment service fees should be explicit and billed to UNDP according to the fee schedule, not to be embedded in individual payments.
7. **B2** – **Processing Time/Daily Cut-off Time:**  To evaluate the bank’s service capacity and flexibility. The longer the service hours and more flexible deadlines, the better.
8. **B3** – **Funds Availability:** To evaluate how timely the bank credits UNDP accounts for incoming funds and process outgoing payment. For incoming funds, we expect the bank to credit UNDP account as soon as the bank receives the funds. For outgoing payments, UNDP account should be debited only at the same time the payments are released.

 1. **B4** – **Processing Payments for Beneficiaries without Bank Accounts:** To evaluate the bank’s capacity to provide customized solutions. This might be relevant for some offices with more rudimentary banking systems in their respective countries.

 1. **B5-B6-B7-B8-B9** – **Foreign Exchange:** To evaluate the bank’s foreign exchange services including currency coverage, competitive market quotes, and timely settlement of the transaction, especially how soon the currency purchased can be credited to UNDP’s account, and cut off time for the foreign exchange services.

 1. **C1-C2 – Capacity for Electronic Banking and Interface with Client ERP System:** To assess the bank’s current system interface capacity, the plans to expand this capacity in the future, and timing; to understand the system requirement (if any) and operational procedures of using the bank’s electronic banking system.
2. **C3 – Security & Control for Electronic Banking and Interface:** To access the bank’s system security features and risk mitigation measures for electronic banking and system interface between bank and UNDP.

 1. **C4 – Information Reporting:** To evaluate whether same day and prior day reporting is available for balance and transaction details, and alternatives.
2. **D1 – Customer Service:** To evaluate the organizational chart of the bank, the chain of command from the branch manager, the relationship manager for UNDP, to the key contact for on-going customer support, the response time and effective problem solving.

 1. **E1 – Risk Management:** To evaluate the bank's risk management practice and business continuity plans which could have major impact on how the bank supports UNDP and its clients in hardship areas and crisis.
2. **F – Other Services:** This is up to the CO to define if required services are not covered by category of services listed in A to E above. If this section is to be included in the RFP, the CO must discuss with Treasury to finalize the service requirements and evaluation points.
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|  | 1. **Open the Financial Proposals**
2. The ad-hoc committee members are convened to open the Financial Proposals after the Evaluation Panel completes the review of the Technical Proposal.
3. Same steps in **6.7** are to be followed
4. **Evaluate the Financial Proposals and Summary Results**
5. Use RFP Evaluation Tool/Financial Evaluation [*see ANNEX 2*]
6. **Section A: Fee Proposal Data from Prospective Banks** – Key-in the price data in prospective banks’ Financial Proposals. If it the price for the service is based on per unit cost, multiply the unit price to the estimated monthly volume for that service.
7. **Section B: Evaluate Individual Prospective Bank Proposal** – Follow the steps built in the table to enter relevant data. The table will automatically calculate the Financial score for each prospective bank (*you need to repeat the same steps for each bank*). The Financial score has two components: bank fee component (95%) and checking account interest rate (5%). The formula is protected. In a country that no interest is permitted to be paid for checking account balances, enter 0 (zero) in the relevant fields. The table will automatically assign 5 point to each prospective bank, and therefore, the impact on final Financial score is neutral for all prospective banks.
8. **Section C: Enter Result Obtained in Section B for each Prospective Bank** – This section is self-explanatory.
9. **Use RFP Evaluation Tool/Summary Results** – Input the final score for Technical and Financial evaluations for each prospective bank. The final combined scores are calculated automatically.
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|  | 1. **Open and evaluate the Personal Banking Services Proposal [NOTE: *only in event of tie following the Financial Evaluation*.]**
2. It should be noted that UNDP is soliciting for banking services that support its corporate operations. It is **not** soliciting for banking services that support the personal needs of staff.
3. UNDP is nevertheless mindful that, when it enters into a contract with a bank, that bank will benefit not only from servicing UNDP and other participating UN agencies, but also from the large number of personal accounts that UN staff will open and the related business that may be generated. The RFP template therefore includes instructions to the pre-qualified prospective banks to provide a separate Personal Banking Services Proposal. This Proposal should be s submitted in manner according to the RFP for Banking Services Section 7.
4. The Personal Banking Services Proposal should not be opened/reviewed until after the Technical and Financial Proposals have been evaluated. Only if the combined score for Technical and Financial Proposals after the evaluation result in a tie, i.e. two or more equal bids, then the ad-hoc committee is convened to open the Personal Banking Services Proposals for the tied banks.
5. The Evaluation Panel reviews and compares the Personal Banking Services Proposals for the tied banks, including products offering, pricing, and customer services. The Evaluation Panel then selects the bank that demonstrates the capacities to provide the best Personal Banking Services as the winning bid for the RFP.
6. If steps in Section **8** and Section **10** result a clear winning bank, the ad-hoc committee is then convened to open the Personal Banking Services Proposal from the selected bank only. The Personal Banking Services Proposals from remaining banks are not to be opened.
7. The personal banking services offered to the UN staff should be included as an ANNEX in the final Agreement.
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|  | 1. **Finalize the Evaluation Panel’s recommendation**
2. The Evaluation Panel should complete and sign the Evaluation Report that provides the qualitative and quantitative assessment of all Proposals and the rationales for the final recommendation. Attach all supporting documents including:
* Scoring tables for Technical and Financial Proposals
* RFP distribution and Proposal receiving log
* RFP opening records
* Declaration of Impartiality forms
1. The CAP of the CO reviews the Evaluation Report along with supporting documents to ensure that the procurement procedures and guidelines governing RFP for Banking Services are followed as well as that the winning bank is the ‘best value for money’.
2. The CAP endorses the recommendation by the Evaluation Panel and submits the CAP minutes, along with all documentation to the RR, or the Head of the Office.
3. The RR or the head of the CO makes final endorsement and submits the documents to the Treasurer. The documents should include:
* All proposals submitted by the banks
* Signed Evaluation Report including supporting documents
* CAP minutes
* RR or the Head of Office’s endorsement
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|  | 1. **Decision by the Treasurer**
2. The Treasurer approves the recommendation based on a review of the Evaluation Report, CAP minutes and RR’s endorsement. Incomplete or non-compliance with procedures and guidelines may delay the approval decision or result in a rejection.
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|  | 1. **Finalize the draft Agreement and Signing**
2. Treasurer signs the Delegation of Authority to the RR, or the Head of Office for him/her to sign the Agreement.
3. Any changes/amendments to the Agreement must be cleared by LSO prior to final approval by the Treasurer.
4. The Agreement term is for an initial 5 years with option at UNDP’s discretion to extend another 5 years, subject to satisfactory annual bank services review to be performed by the CO (see Bank Scorecard to be released in Bank Relationship Management POPP)
5. The final Agreement shall include:
* Bank Relationship Contact and Routine Service Contact
* Schedule for Service Standards
* Schedule for Funds Availability
* Schedule for Bank Charges
* ANNEX for Personal Banking Services
1. The copy of the delegation of authority accepted by the RR, or the Head of Office, along with the executed copy of the Agreement [*signed by both UNDP and the selected bank*] must be sent to the Treasurer for the files.
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|  | 1. **Implement the Agreement**
2. If the selected bank is the current service provider, the implementation still requires the execution of the Agreement.
3. If the selected bank is a new service provider, Treasury will work with the CO on implementation including :

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| **Steps**  | **Responsible parties** |
| * Prepare the letter for opening bank accounts
 | Treasurer |
| * Set new bank accounts in Atlas and in Bank Administration System
 | Treasury Assistant  |
| * SWIFT reporting, if applicable
 | OIST and the selected bank |
| * Enter settlement instructions in Atlas including AP, AR, BT, Deal as applicable
* Ensure payroll to be linked to the new bank account and delinked the old account
 | Treasury Specialist for SystemsGlobal Payroll |
| * Interface between Atlas and bank system, if applicable
 | OIST, CO Finance and IT Units, and the selected bank |
| * Perform the test for EFT transaction
 | OIST, CO Finance and IT Units, and the selected bank |
| * Agree on the effective date of using the new bank accounts and closing the old bank accounts
 | HQ CO Cash Management and the CO Finance Unit |
| * Reconcile old accounts in full
 | The CO Finance Unit |
| * Prepare the letter to close old bank accounts 90 days after the effective date of the new bank accounts
 | HQ CO Cash Management, the CO Finance Unit, and Treasury Assistant |
| * Change the closed bank accounts status to inactive in Atlas
 | Treasury Specialist for Systems |

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**Note:**

1. All communications from COs for RFP for Banking Services are to be sent to treasury.cash.management@undp.org.
2. Citibank, Standard Chartered Bank, and Standard Bank have signed the standard Agreement; upon their selection the template will be provided to the RR or Head of Office with the delegation of authority from the Treasurer.

**ANNEX I**

## For the Advertisement

**Announcing the UN’s Solicitation for Proposals for Banking Services**

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| The United Nations requests proposals for banking services for the benefit of the United Nations Organizations in *[Note: Insert Country]*.* Eligible banks may collect the RFP and related documents on payment of [*Note: Insert national currency & an appropriate amount]* (**non-refundable**) at *[Note: Insert location/office name/address]* from *[Note: Insert start day/date]* **to** *[Note: Insert closing day/date]* **(the date for the closing of collection)** on weekdays only between the hours of 09:30 and 17:00;
* The RFP is only open to Banks that are registered members of SWIFT. Prospective Banks are required to provide their SWIFT number when collecting the RFP;
* A Pre-Bid Conference will take place on *[Note: Insert day/date]* at *[Note: Insert time]* hours at the *[Note: Insert location/office name/address]*;
* Proposals in accordance with RFP must be received no later than *[Note: Insert time]* hours on *[Note: Insert day/date]*;
* Proposals will be evaluated in accordance with internationally accepted practices. In particular, they will be evaluated on their responsiveness to implementing the requisite banking services;
* The UNDP reserves the right to accept or reject, in part or whole, any or all of the proposals at any time without assigning any reason whatsoever;
* The costs of preparing the proposals and of negotiating the contract are not reimbursable by the UNDP;
* Proposals **must** be valid for 120 days from the deadline for submission. The UNDP will make its best effort to select a firm within this period;
* The UNDP does not bind itself in any way to select the firm offering the lowest prices.
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