

**REQUEST FOR PROPOSALS**

**TECHNICAL ASSISTANCE FOR THE**

**SHARED DISASTER RECOVERY SERVICES**

Submission Deadline: **5:00 PM**  
**LOCAL (ABUJA) TIME**  
**DECEMBER 16, 2011**

Submission Place: Attn: Chidi Umeano  
Shared Services Office, Wing 6B  
Plot 33, Abubakar Tafawa Balewa Way  
Central Business District, Cadastral Zone,  
Abuja, Federal Capital Territory  
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**SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.**

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## **Section 1: INTRODUCTION**

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$510,000 to Central Bank of Nigeria (the "Grantee") in accordance with a grant agreement dated September 15, 2011 (the "Grant Agreement"). The TA will assist the Grantee and other financial sector stakeholders in determining the technical requirements and business and operational models for a disaster recovery center (DRC) which will enable Nigeria's leading financial institutions to ensure continuous operations in the event of a disaster (the "Project"). The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Technical Assistance.

### **1.1 BACKGROUND SUMMARY**

The Grantee has advised Nigeria's commercial banks to reduce their operating costs by sharing power and ICT services where possible, with the ultimate goal of reducing the cost of capital in the Nigerian market. To address this, and other issues facing the banks, the Chief Information Officers of 19 of Nigeria's commercial banks have formed the "CIO Nexus", a working group focused on planning the implementation of shared services.

Presently, each of the CIO Nexus banks is operating its own data backup system to safeguard electronic data and banking records, and many of the banks do not have a DRC. A reliable DRC is critical for business operations such as banking which entail significant volumes of sensitive information. In the event of a failure at one of the banks' primary business locations, employees would not easily be able to work offsite due to the high security requirements for processing financial data. A DRC enables a bank to physically relocate its entire operation in the event of a failure, and continue business operations in a secondary facility which meets all of its security and ICT requirements.

A background Definitional Mission is provided for reference in Annex 2.

### **1.2 OBJECTIVE**

The objective of this Technical Assistance is to assist the Grantee in its effort to develop a shared disaster recovery system in the banking sector. This Technical Assistance will perform an assessment of several of the participating banks' data backup systems and DRCs, and compile a common set of requirements and standards for the development of a shared DRC which would significantly reduce costs to the participating banks through the use of shared operational, power, climate control, and ICT services. The Terms of Reference (TOR) for this Technical Assistance are attached as Annex 5.

### **1.3 PROPOSALS TO BE SUBMITTED**

Technical proposals are solicited from interested and qualified U.S. firms. The administrative and technical requirements as detailed throughout the Request for Proposals (RFP) will apply. Specific proposal format and content requirements are detailed in Section 3.

The amount for the contract has been established by a USTDA grant of US \$510,000. **The USTDA grant of US \$510,000 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

#### **1.4 CONTRACT FUNDED BY USTDA**

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US \$510,000 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

### **Section 2: INSTRUCTIONS TO OFFERORS**

#### **2.1 PROJECT TITLE**

The project is called Shared Disaster Recovery Services.

#### **2.2 DEFINITIONS**

Please note the following definitions of terms as used in this RFP.

The term "Request for Proposals" means this solicitation of a formal technical proposal, including qualifications statement.

The term "Offeror" means the U.S. firm, including any and all subcontractors, which responds to the RFP and submits a formal proposal and which may or may not be successful in being awarded this procurement.

#### **2.3 DEFINITIONAL MISSION REPORT**

USTDA sponsored a Definitional Mission to address technical, financial, sociopolitical, environmental and other aspects of the proposed project. A copy of the report is attached at Annex 2 for background information only. Please note that the TOR referenced in the report are included in this RFP as Annex 5.

#### **2.4 EXAMINATION OF DOCUMENTS**

Offerors should carefully examine this RFP. It will be assumed that Offerors have done such inspection and that through examinations, inquiries and investigation they have become familiarized with local conditions and the nature of problems to be solved during the execution of the Technical Assistance.

Offerors shall address all items as specified in this RFP. Failure to adhere to this format may disqualify an Offeror from further consideration.

Submission of a proposal shall constitute evidence that the Offeror has made all the above mentioned examinations and investigations, and is free of any uncertainty with respect to conditions which would affect the execution and completion of the Technical Assistance.

## **2.5 PROJECT FUNDING SOURCE**

The Technical Assistance will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$510,000.

## **2.6 RESPONSIBILITY FOR COSTS**

Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal. Neither USTDA nor the Grantee assumes any obligation as a result of the issuance of this RFP, the preparation or submission of a proposal by an Offeror, the evaluation of proposals, final selection or negotiation of a contract.

## **2.7 TAXES**

Offerors should submit proposals that note that in accordance with the USTDA Mandatory Contract Clauses, USTDA grant funds shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country.

## **2.8 CONFIDENTIALITY**

The Grantee will preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror, to the extent permitted by the laws of the Host Country.

## **2.9 ECONOMY OF PROPOSALS**

Proposal documents should be prepared simply and economically, providing a comprehensive yet concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

## **2.10 OFFEROR CERTIFICATIONS**

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a

proposal; and (d) that it has not sought by collusion to obtain for itself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

## **2.11 CONDITIONS REQUIRED FOR PARTICIPATION**

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in Annex 3.

## **2.12 LANGUAGE OF PROPOSAL**

All proposal documents shall be prepared and submitted in English, and only English.

## **2.13 PROPOSAL SUBMISSION REQUIREMENTS**

The **Cover Letter** in the proposal must be addressed to:

Attn: Chidi Umeano  
Shared Services Office, Wing 6B  
Plot 33, Abubakar Tafawa Balewa Way  
Central Business District, Cadastral Zone,  
Abuja, Federal Capital Territory  
Nigeria.

Phone: +234 9 462 36615

Electronic Mail: [cdumeano@cbn.gov.ng](mailto:cdumeano@cbn.gov.ng)

**An Original and eight (8) copies of your proposal must be received at the above address no later than 5:00 PM, LOCAL (ABUJA) TIME, on December 16, 2011.**

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Any proposal received after the deadline will be returned unopened. The Grantee will promptly notify any Offeror if its proposal was received late.

Upon timely receipt, all proposals become the property of the Grantee.

## **2.14 PACKAGING**

The original and each copy of the proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labeled for content

including "original" or "copy number x"; the original and eight (8) copies should be collectively wrapped and sealed, and clearly labeled.

Neither USTDA nor the Grantee will be responsible for premature opening of proposals not properly wrapped, sealed and labeled.

#### **2.15 AUTHORIZED SIGNATURE**

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

#### **2.16 EFFECTIVE PERIOD OF PROPOSAL**

The proposal shall be binding upon the Offeror for ninety (90) days after the proposal due date, and Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

#### **2.17 EXCEPTIONS**

All Offerors agree by their response to this RFP announcement to abide by the procedures set forth herein. No exceptions shall be permitted.

#### **2.18 OFFEROR QUALIFICATIONS**

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory, Technical Assistance and/or other services similar to those required in the TOR, as applicable.

#### **2.19 RIGHT TO REJECT PROPOSALS**

The Grantee reserves the right to reject any and all proposals.

#### **2.20 PRIME CONTRACTOR RESPONSIBILITY**

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of any subcontractors. USTDA nationality provisions apply to the use of subcontractors and are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all of the applicable USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

## **2.21 AWARD**

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received and, in all cases, the Grantee will be the judge as to whether a proposal has or has not satisfactorily met the requirements of this RFP.

## **2.22 COMPLETE SERVICES**

The successful Offeror shall be required to (a) provide local transportation, office space and secretarial support required to perform the TOR if such support is not provided by the Grantee; (b) provide and perform all necessary labor, supervision and services; and (c) in accordance with best technical and business practice, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete the TOR to the satisfaction of the Grantee and USTDA.

## **2.23 INVOICING AND PAYMENT**

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. After the Grantee's approval of each invoice, the Grantee will forward the invoice to USTDA. If all of the requirements of USTDA's Mandatory Contract Clauses are met, USTDA shall make its respective disbursement of the grant funds directly to the U.S. firm in the United States. All payments by USTDA under the Grant Agreement will be made in U.S. currency. Detailed provisions with respect to invoicing and disbursement of grant funds are set forth in the USTDA Mandatory Contract Clauses attached in Annex 4.

### **Section 3: PROPOSAL FORMAT AND CONTENT**

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$510,000, which is a fixed amount.

Offerors shall submit one (1) original and eight (8) copies of the proposal. Proposals received by fax cannot be accepted.

Each proposal must include the following:

Transmittal Letter,  
Cover/Title Page,  
Table of Contents,  
Executive Summary,  
Company Information,  
Organizational Structure, Management Plan, and Key Personnel,  
Technical Approach and Work Plan, and  
Experience and Qualifications.

Detailed requirements and directions for the preparation of the proposal are presented below.

### **3.1 EXECUTIVE SUMMARY**

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

### **3.2 COMPANY INFORMATION**

For convenience, the information required in this Section 3.2 may be submitted in the form attached in Annex 6 hereto.

#### **3.2.1 Company Profile**

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information requested in sections 3.2.5 and 3.2.6 below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).
3. Type of ownership (e.g. public, private or closely held).
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (\*) next to the names of those principal officers who will be involved in the Technical Assistance.

6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).
7. Project Manager's name, address, telephone number, e-mail address and fax number.

### **3.2.2 Offeror's Authorized Negotiator**

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

### **3.2.3 Negotiation Prerequisites**

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Technical Assistance as proposed and reflect such impact within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

### **3.2.4 Offeror's Representations**

If any of the following representations cannot be made, or if there are exceptions, the Offeror must provide an explanation.

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_. The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Technical Assistance. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of \_\_\_\_\_. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract;

violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.

4. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
6. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee.

### **3.2.5 Subcontractor Profile**

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).

### **3.2.6 Subcontractor's Representations**

If any of the following representations cannot be made, or if there are exceptions, the Subcontractor must provide an explanation.

1. Subcontractor is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_. The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the Technical Assistance and to perform the Technical Assistance. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief,

proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.

2. Neither the subcontractor nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
3. Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

### **3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL**

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Technical Assistance. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Technical Assistance.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the Technical Approach and Work Plan shall be submitted. A statement confirming the availability of the proposed project manager and key staff over the duration of the project must be included in the proposal.

### **3.4 TECHNICAL APPROACH AND WORK PLAN**

Describe in detail the proposed Technical Approach and Work Plan (the "Work Plan"). Discuss the Offeror's methodology for completing the project requirements. Include a brief narrative of the Offeror's methodology for completing the tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Work Plan, and previous project experience, describe any support that the Offeror will require from the Grantee. Detail the amount of staff time required by the Grantee or other participating agencies and any work space or facilities needed to complete the Technical Assistance.

### **3.5 EXPERIENCE AND QUALIFICATIONS**

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Technical Assistance. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project. The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

As many as possible but not more than six (6) relevant and verifiable project references must be provided for each of the Offeror and any subcontractor, including the following information:

- Project name,
- Name and address of client (indicate if joint venture),
- Client contact person (name/ position/ current phone and fax numbers),
- Period of Contract,
- Description of services provided,
- Dollar amount of Contract, and
- Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to or larger in scope than the Technical Assistance as described in this RFP.

## Section 4: AWARD CRITERIA

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors. The Grantee will notify USTDA of the best qualified Offeror, and upon receipt of USTDA's no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second most qualified Offeror and so forth.

The selection of the Contractor will be based on the following criteria:

Evaluation criteria to help rate the proposals received and weigh their relative merits to facilitate the selection process is provided below. These criteria are illustrative and suggestive for the use of the Grantee and USTDA to develop final award criteria for evaluation and selection of a US contractor to perform the USTDA funded technical assistance.

	<b>Points</b>
<b>Technical Proposal</b>	<b>35</b>
<ul style="list-style-type: none"><li>• Technical approach for developing a shared DR facility. (30);</li><li>• Technical approach for assessing and developing recommendations for "virtual machines" and shared "hosting" requirements (5);</li></ul>	
<b>Personnel and Management Plan</b>	<b>35</b>
<ul style="list-style-type: none"><li>• Experience and expertise of the Project Manager proposed in developing DR facilities in the international banking sector (25); and</li><li>• Experience and expertise of the Team personnel in fulfilling the various functions of each component of the program (10).</li></ul>	
<b>Firm Technical Capability and Past Performance</b>	<b>30</b>
<ul style="list-style-type: none"><li>• Experience in the commercial banking sector in emerging economies (15); and</li><li>• Experience working with central banks providing technical assistance and training (15).</li></ul>	

Proposals that do not include all requested information may be considered non-responsive.

Price will not be a factor in contractor selection.

## ANNEX 1

Attn: Chidi Umeano  
Shared Services Office, Wing 6B  
Plot 33, Abubakar Tafawa Balewa Way  
Central Business District, Cadastral Zone,  
Abuja, Federal Capital Territory  
Nigeria.

Shared Disaster Recovery Services. 2011-11028A

POC: Nina Patel, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Shared Disaster Recovery Services. The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to perform technical assistance to assist the Grantee in its effort to provide critical redundancy and information security to Nigeria's financial sector, while reducing the operating costs of Nigeria's banks.

The high cost of capital and stringent terms of repayment available from Nigeria's commercial banks have long represented a significant constraint on business development and economic growth in the country. To address the problem, CBN has advised Nigeria's commercial banks to reduce their operating costs by sharing power and ICT services where possible, with the ultimate goal of reducing the cost of capital in the Nigerian market. Although this is not presently a legal or regulatory requirement, the commercial banks are taking CBN's guidance seriously. In fact, the Chief Information Officers of 19 of Nigeria's commercial banks have formed the "CIO Nexus", a working group focused on planning the implementation of these shared services.

This USTDA-funded TA will perform an assessment of several of the participating banks' data backup systems and DRCs, and compile a common set of requirements and standards for the development of a shared DRC which would significantly reduce costs to the participating banks through the use of shared operational, power, climate control, and ICT services. The TA will also make recommendations on the operational and business models for the Project, including shared fee structures, requirements for use, and strategies for implementation. CBN is expected to take the lead on the implementation of the Project, but the member banks of the CIO Nexus have expressed their support for the Project and their desire to participate in this TA.

The U.S. firm selected will be paid in U.S. dollars from a \$510,000 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background definitional mission report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to: <https://www.ustda.gov/businessopps/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC,

USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 5:00pm, Local (Abuja) Time, December 16, 2011 at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

## ANNEX 2

# USTDA

## Definitional Mission

### Nigeria and Ghana – Information and Communications Technology Definitional Mission

TDA-CO2010110012

## FINAL REPORT

May 24, 2011



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## The U.S. Trade and Development Agency (USTDA)

The U.S. Trade and Development Agency (USTDA) advances economic development and U.S. commercial interests in developing and middle income countries. The agency funds various forms of technical assistance, feasibility studies, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment.

USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. Operating at the nexus of foreign policy and commerce, USTDA is uniquely positioned to work with U.S. firms and host countries in achieving the agency's trade and development goals. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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## Executive Summary

The Network Dynamics Team was contracted by the US Trade and Development Agency to perform a *Definitional Mission for Information and Communications Technology (ICT) Projects in Nigeria and Ghana*. The scope of work for this DM involved working with potential project sponsors in the banking and financial services sector in Ghana and Nigeria to identify, recommend, and define technical assistance for USTDA funding. The DM included travel by technical consultants Doug Shuster and Emmitt Summers to Accra, Ghana in December 2010 and to Lagos and Abuja, Nigeria in January 2011.

A wide range of projects were identified during the DM for prospective USTDA funding and evaluated using USTDA funding criteria. Based upon our evaluation, four projects are being recommended for USTDA funding consideration:

- Ghana Branchless Banking Technical Assistance
- Ghana Electronic Transactions Infrastructure Security Project
- Nigeria Shared Disaster Recovery Project
- Nigeria Electronic Payment Systems Project

The evaluation of each of the four projects listed above is documented in individual sections of this report. The evaluations are based on detailed meetings with respective sponsors as well as with other Host Country, International, and US organizations working in the sector and US companies which have a potential interest in project implementation.

These projects collectively address a wide array of critical areas in the banking and financial services ICT sectors, including:

- The delivery of electronic payment systems (i.e. smart cards, mobile phone banking) which have the potential to bring banking to a huge segment of the population currently without access to the formal banking sector. These technologies will also move these economies toward a less cash dependent society where central bank monetary policy becomes a more effective tool to bring about economic stability and growth.
- The establishment of a system that meets international best practices for ensuring the continuity of the commercial banking sector in the event of a natural or other disaster while bringing the costs of such services down considerably for individual banks, thus increasing the financial strength of the banks, reducing the cost of lending to the customers, and improving the effectiveness of central bank monetary policy (e.g. pass through to consumers of changes in prime lending rates).
- The development of systems to ensure the security of electronic communications and transactions, including the establishment of a national public key infrastructure system, as the highway of international connectivity reaches the doorstep of West Africa, opening up the government and private sector to great opportunity and at the same time, great vulnerability.

The DM also investigated other projects which could be of interest to US companies and/or for future USTDA funding. The Project Portfolio Assessment shown below lists all projects which met the minimum criteria for evaluation, including those that were and were not selected for USTDA funding consideration, with brief project summaries and the DM Team's recommendation regarding USTDA funding.



**PROJECT PORTFOLIO ASSESSMENT**

<b>Project</b>	<b>Project Sponsor</b>	<b>Project description</b>	<b>Recommendation</b>	<b>Primary Contacts</b>
Nigeria Shared Disaster Recovery Project	Central Bank of Nigeria	<p>The Central Bank of Nigeria (CBN) has requested funding from the U.S. Trade and Development Agency for technical assistance to evaluate the technical, financial, economic, and other critical aspects of designing, developing, implementing and operating a shared Disaster Recovery (DR) facility for the commercial banks in Nigeria. The CBN recognizes that an investment in a shared DR facility for the commercial banks is critical to the commercial banks' ability to reduce operating costs while providing enhanced availability and reliability of its banking systems as well as ensuring that critical banking information is protected and secure.</p>	<p>The DM Team recommends USTDA funding based on: strong support from the CIO Nexus, an association of CIOs from commercial banks operating in Nigeria; critical importance of disaster recovery to the stability of the Nigeria's financial system; strong US export potential and US company interest in the project; and the high priority given to the project by CBN.</p>	<p>M.A. Olajide (Mrs) Deputy Director Information Technology Department Central Bank of Nigeria Tel: +234 9 462 36110 Mobile: +234 803 452 4814 E-mail: maolajide@cbn.gov.ng</p>



## Sector Overview and Key Findings

Nigeria and Ghana are both at a critical point in the development of their banking and financial system ICT sectors. Each country has undertaken significant reform of the banking sector in recent years, leading to a more robust and well performing financial services sector. At the same time, there is dramatic change occurring in the ICT environment as liberalized telecom policies have led to strong and rapidly growing markets. A modern broadband network is being built throughout both countries, creating huge opportunities for an electronic communications and transactions infrastructure that can lead to broad economic development and bring financial services to large populations of unbanked individuals and businesses. Both countries are looking to capitalize on these opportunities by promoting the use of electronic payment systems, including mobile payment systems, smart cards, ATMs, POSs, and other technologies. At the same time they are aware of the huge risks to the financial system inherent in a fast, reliable broadband network. Without the proper safeguards to secure electronic transactions, put in place appropriate safeguards for payment systems in accord with regulation of the banking system, and ensure continuity in the face of a disaster, the economic gains could rapidly be lost through financial and data losses from cyber-attacks and loss of confidence in financial and payment systems.

## Ghana and Nigeria Financial Sectors

### *Nigeria Financial Sector*

Nigeria is Africa's most populous nation, biggest oil producer, and largest recipient of foreign direct investment (FDI). Oil and gas production dominate the economy, accounting for 28 percent of GDP, 90 percent of exports, and over 80 percent of government revenues. Agriculture is also a pillar of the Nigerian economy, accounting for 30 percent of GDP and employing two thirds of the labor force.<sup>1</sup>

The Nigerian government has shown a strong commitment to reform through its national development plan, Vision 2020. The plan aims at promoting diversification of the economy away from oil and gas, with the objective of Nigeria becoming one of the world's top 20 economies by 2020. Progress has thus far been mixed: even though non-oil growth has averaged 9 percent during the last five years, political violence and social and religious tensions continue to disrupt economic activity and reform efforts.

Nigeria's financial sector has undergone significant changes in recent years. In 2005-2006, the banking sector went through major consolidation, which reduced the number of banks from 89 to 24 and considerably increased capitalization. As a result of consolidation, financial intermediation levels increased significantly: the number of bank branches almost doubled to about 5,500 in 2009, and banks engaged in a range of new activities, including the financing of infrastructure and oil projects, which has previously been out of their reach. The rapid expansion of banks' private sector credit portfolio, in addition to their considerable cross-border activities, has exposed the need for a strengthened supervisory role for the

<sup>1</sup> [http://www.mfw4a.org/nigeria/nigeria-financial-sector-profile.html?sword\\_list\[0\]=nigeria](http://www.mfw4a.org/nigeria/nigeria-financial-sector-profile.html?sword_list[0]=nigeria)

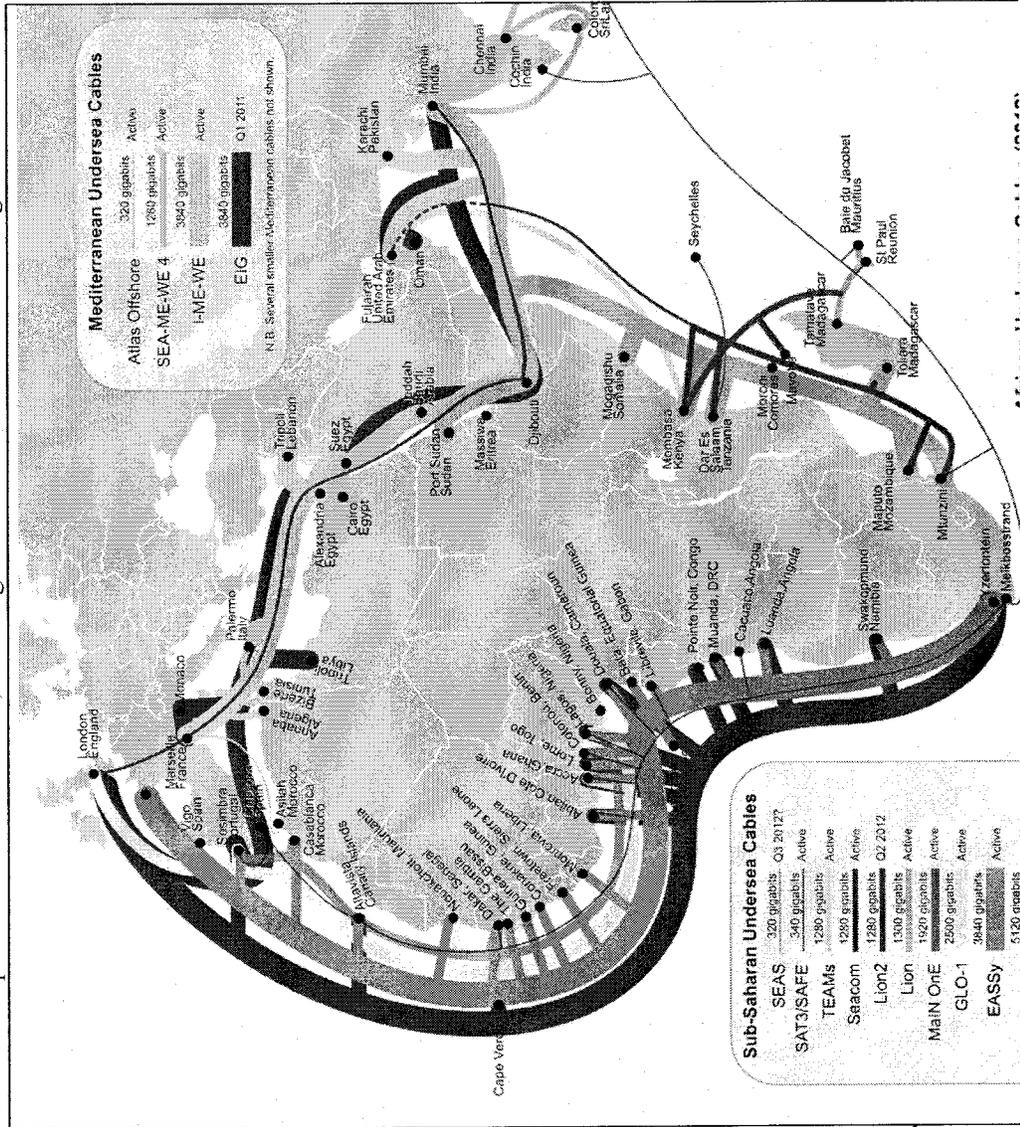


Central Bank, which has developed a plan for consolidated and risk-based supervision. In addition, banks have been required to adopt the International Financial Reporting Standards (IFRS).

The global financial crisis posed substantial challenges to Nigerian bank reform efforts. While the initial effects were contained due to low levels of exposure to complex financial instruments, the large swings in oil prices, combined with the resulting depreciation of the naira and a drop in investor confidence led to growing pressures on the sector's health. Market speculation about the quality of some bank balance sheets was evident in the breakdown of the naira interbank market as well as perceptions that some banks were using the central bank discount window as an ongoing source of funding. Some banks were involved heavily in margin lending for investments in the equity market, which subsequently crashed by 70 percent reflecting both domestic and global market developments. Special examinations of bank balance sheets by the central bank and deposit insurance corporation were launched, resulting in the central bank intervening in five banks in August 2009 to address inadequate capital and liquidity ratios and nonperforming loans ratios that reached highs of 40 percent. Management was replaced and funds were injected to forestall insolvency. With 25 banks and capital reserve requirements of \$165 million, the banks are now poised for growth and focusing on modernizing and streamlining their operations while broadening their customer base through new technologies and payment platforms.

### Ghana and Nigeria Network Infrastructure

Ghana and Nigeria are experiencing a massive buildout of domestic and international undersea fiber optic cable infrastructure that will bring broadband capacity to these markets and facilitate the deployment of financial services and electronic payment systems throughout the region. The map below depicts the scale of this infrastructure buildout.



In addition to private investment in domestic fiber networks, the governments in both countries are building fiber optic cable networks to serve government ministries, agencies and institutions. In Ghana, the \$180 million public network being built will provide connectivity to all 170 districts, municipalities and metropolitan areas in the country and will also fund a dedicated data center for the Government. Nigeria's public sector Galaxy network aims to integrate all the disparate existing government-owned networks into a single holistic government-wide network. Regarding private international undersea cables, Main One recently launched service and is operational in both countries; Glo-1 mobile, whose cable runs through 14 African countries and is promising unprecedented internet connectivity and data transfer speed, just launched its service in the two countries; and the WACS cable has announced that it is on schedule to provide service by 2012. At the same time domestic telecom operators in both countries are laying domestic fiber networks, connecting all major commercial and population centers.

### **Electronic Transactions Infrastructure Security**

The Governments of Ghana and Nigeria both recognize that a strong, reliable and secure electronic transactions infrastructure is the necessary underpinning for well-functioning government and commercial operations, enhancing the stability of the country's economic system and contributing to economic growth. Yet the failure to secure that infrastructure could have a devastating impact on economic growth. Cyber-crime in these countries is already having an impact on existing and prospective business operations in these countries. Ghana is second only to Nigeria for cyber-crimes in Africa, leading to the blocking of international transactions.

The establishment of a secure electronic transaction infrastructure is critical to allow growth in electronic commerce and for electronic government programs to make government operations more efficient and transparent. The deployment of cyber-security systems, including a Public Key Infrastructure (PKI) system for government and commercial electronic transactions, are required to provide an increased level of confidence for exchanging information over increasingly fast, reliable, yet insecure networks.

In Ghana, the Electronic Transactions Act is a critical piece of legislation that introduces several bills and regulations to promote the development of e-commerce by reducing uncertainty about the legal effect of electronic information and electronic communications by allowing certain paper based legal requirements to be met by electronic means. Ghana is now in the process of operationalizing that legislation. In Nigeria, an electronic transactions bill has been submitted to Parliament three years ago but there has been no movement to enact legislation. Therefore, while CBN has the authority to override the need for legislation in some cases, the establishment of a national PKI system is impossible at this time.

### **Nigeria: Central Bank of Nigeria Shared Disaster Recovery Project**



## A. Executive Summary

Through its work on the Definitional Mission for Information and Communications Technology (ICT) Projects in Nigeria and Ghana, the Network Dynamics Team has identified and defined Technical Assistance (TA) for the proposed Central Bank of Nigeria Shared Disaster Recovery Project (Project). The Project has the potential to significantly reduce the operating costs of commercial banks while providing enhanced availability and reliability of its electronic banking systems as well as ensuring that critical banking information is protected and secure.

Commercial Banks in Nigeria have the responsibility for providing and maintaining continuous ICT operations in case of disaster or emergency events. Currently, each commercial bank maintains its own Disaster Recovery (DR) site(s). This approach is not only very expensive but also extremely difficult to manage primarily due to the individual site, power, network and HVAC services required for each DR facility. It is important to note that most of Nigeria suffers from unreliable power supply. The commercial banks do not rely on Nigeria's power company and operate their own very expensive redundant diesel generators. Additionally, there is also serious concern that many of the sites do not meet the Tier-3 level of redundancy that is compliant with best practices in the banking industry.

Globally, the IT budget at most banks typically represents at least 15 percent of the total operating costs. The Central Bank of Nigeria (CBN) has encouraged the commercial banks to pursue a shared DR facility in order to reduce operating costs and to provide higher levels of redundancy. The CIO Nexus, an association of CIO's of Nigerian commercial banks, agrees with this approach and supports CBN's request for TA to look into alternative DR scenarios including operational and business models to implement the shared DR facility (a list of banks actively participating in the CIO Nexus can be found in Section N – Contacts of this report).

There are significant potential US exports to the project for US suppliers of shared data and disaster recovery centers including the necessary hardware, software, communications and security facilities; consulting services for the design, development and implementation of shared data and disaster recovery centers; consulting services for virtual machines; and consulting services for security and reliability of data and disaster recovery centers. US suppliers in this area are globally competitive and well positioned in the Nigerian market, with several US companies, including CISCO, HP, Oracle and Accenture, having already developed strategic relationships with CBN. The NDA Team estimates that US exports of up to \$17 million could realistically be achieved through full implementation of the Project. Based on our analysis of the Project, the NDA Team recommends funding of the proposed TA with a budget of \$510,000.

## B. Project Description

### Sector Overview

Nigeria's banking sector has undergone a radical transformation in the past ten years, resulting in a stronger, more secure and reliable financial sector that can serve industrial and commercial sectors more effectively to advance increased investment and economic



growth. However, the sector is still inefficient by international standards, with high interest rate spreads over the prime lending rate and low penetration of banking services. The following is a brief overview of the recent turbulent history of Nigeria's banking sector. Financial sector liberalization in Nigeria started in 1986 with the introduction of a Structural Adjustment Program, which led to the licensing of more banks, innovation in banking, and growth of the financial sector. However, this deregulation facilitated a dramatic increase in the number of financial institutions and also exposed the banks to intense competition for which many of them were ill prepared. Some of the banks attracted a significant market share through improved customer services at competitive prices. In contrast, many banks appeared to have been set up largely to take advantage of the arbitrage opportunities in the foreign exchange market, rather than undertake more conventional banking business. By the 1990s, distress in the financial sector led to the collapse of some banks and financial houses, with some bank CEOs prosecuted and jailed.

In 2001 the Universal Banking Model was introduced, allowing banks to diversify into non-bank financial businesses. By 2004, there were again signs of distress in the banking sector. Eighty-nine banks were in existence and a number of them were operating with insufficient capital reserves and had inadequate liquidity. In July 2004, former CBM Governor Charles Soludo announced a new capital requirement of \$167 million for all banks. The previous requirement was only \$6.7 million for existing banks and \$13.3 million for new banks. Banks were given until the end of 2005 to raise new capital. Banks met the new capital requirement through a combination of raising capital in the domestic capital markets, mergers, and acquisitions. At the end of 2005, 25 banking groups emerged, while 14 banks failed.

After consolidation, banks grew in asset size, established new branches and subsidiaries in other sectors of the financial industry (i.e. investment banking, insurance, pension), and went beyond the borders and established in other parts of Africa, the UK, France, and the US. Nigeria's capital market attracted significant foreign investment and more banks were listed on the domestic stock exchange. However, the system was abused by operators, with banks engaging in non-banking practices to the detriment of core banking practices and many banks took unnecessary speculation provisions and bets on asset prices.

In 2007, Central Bank of Nigeria Governor Soludo launched a broad reform program known as Financial System Strategy (FSS 2020). The primary objective of the program is to position the country's financial sector as one of the safest and fastest growing among emerging market economies. The program was designed to provide rapid and sustainable economic growth that is expected to propel the country's economy to be one of the top 20 economies in the world by 2020. The program is also known as Payment Systems Vision 2020 and it provides a roadmap to create an electronic payments infrastructure that is efficient, reliable, safe, cost-effective and utilized by all sectors of the economy throughout the country. Most importantly, the program aims to enhance public confidence in the banking/financial industry.

The immediate impact of the recent global financial turbulence on the Nigerian financial system, particularly the banking system, mirrored global trends, exposing an untenable financial system built upon bloated asset prices and speculative investment. Coupled with major internal management problems in some of the banks, the crisis impacted the economy through various channels—significant decline in oil revenue leading to revenue attrition for all tiers of government; reduced capital inflows into the economy; significant drawdown of external/foreign reserves;



demand pressure in the foreign exchange market; substantial decline in stock market capitalization and share prices; huge bank losses on margin loans and share-backed facilities as well as loans to the downstream oil and gas sector; low valuation with many banks trading below book value; declining asset values; and declining credit growth.

It became clear that the CBN had to act decisively when it became evident that some of the banks had more deep-rooted problems that were not discernable from the regular reports rendered to the regulatory authorities. Some of these actions included replacing the CEOs of the banks identified as the source of instability in the industry and injection by CBN of the sum of \$4 billion into the banks in an effort to prevent a systemic banking crisis. As an additional measure to strengthen the reform process, CBN commenced the process of creating an Asset Management Company, as a vehicle for dealing with non-performing loans of the banks. AMCON is expected to absorb the toxic assets of the CBN-intervened banks and provide liquidity to them while facilitating their eventual recapitalization. Eight distressed banks are to be sold to interested investors and a new Code of Corporate Governance is being introduced. CBN has reviewed the Universal Banking model with a view to steering the banks towards core banking businesses. Under the new model, banks would not be allowed to invest in non-bank subsidiaries, while banks currently with such investments would be required to either divest or spin-off the businesses to holding companies that will be licensed by the CBN as other financial institutions.

In September 2010, in an effort to increase the efficiency of commercial banks, the current CBN Governor, Lamido Sanusi, spearheaded an initiative to reduce the overhead costs of banks, with an aim to decrease operational costs by 30% in the next three years.

### **Project Requirements**

Commercial Banks in Nigeria have the extremely difficult and expensive task of providing and maintaining continuous banking operations in case of disaster or emergency events. Currently, each commercial bank maintains its own Disaster Recovery site(s). This approach is not only very expensive but also extremely difficult to manage, primarily due to the individual site, power, network and HVAC services required for each DR facility. It is important to note that most of Nigeria suffers from unreliable power supply. The commercial banks do not rely on Nigeria's power company and operates their own very expensive redundant diesel generators. Additionally, there is also serious concern that many of the sites do not meet the Tier-3 level of redundancy, as defined by the Uptime Institute, that is compliant with best practices in the banking industry for disaster recovery sites.

In line with the shared services initiative announced by CBN, it has encouraged the commercial banks to pursue a shared DR facility approach in order to reduce operating costs and to provide higher levels of redundancy. The CIO Nexus, an association of CIO's of commercial banks, agrees with this approach and supports CBN's request for Technical Assistance to look into alternative DR scenarios including operational and business models to implement the shared DR facility. There are several possible scenarios for the ownership/operation of the facility, including: a private third party owner/operator; a private operator of a facility owned by a group of commercial banks; a public private partnership with CBN participating in the ownership of the facility.



### **Economic Fundamentals**

The main economic benefit of the Project lies in the significant reduction in the commercial banks' operating costs while at the same time providing enhanced availability and reliability of banking systems and ensuring that critical banking information is protected and secure. Globally, the IT budget at most banks typically represents at least 15 percent of the total operating costs. These measures will improve and enhance public confidence in the banking/financial industry.

The Project also has important potential impacts on the stability and growth of Nigeria's financial system by increasing the size of the formal banking economy. Currently only about 20 million people have bank accounts out of a population of 140 million while an estimated that 80% of transactions take place in the informal economy. By reducing banks' operating costs, CBN expects commercial lending rates to fall, thus attracting more individuals and businesses into the formal banking sector. By increasing the size of the formal sector, more Nigerians will have secure, interest bearing accounts while increasing their access to credit by maintaining a formal credit history. Growth in the formal banking sector also increases the capacity of CBN to manage the overall financial system and its impact on the domestic economy through its interest rate and other monetary policy tools.

### **C. Project Sponsor's Capabilities and Commitment**

The mandate of the Central Bank of Nigeria (CBN) is derived from the 1958 Act of Parliament. The Act charges the Bank with the overall control and administration of the monetary and financial sector policies of the Federal Government. The statutory mandates of the CBN are as follows:

- To issue legal tender currency
- To maintain external reserves
- To safeguard the international value of the legal tender currency
- To promote monetary stability and a sound financial system in Nigeria
- To act as banker and financial adviser to the Federal Government.

The Monetary Policy in Nigeria is best understood from the stance of the mandate set for the Bank, which includes:

- Maintenance of Nigeria's external reserves to safeguard the international value of the legal currency.
- Promotion and maintenance of monetary stability and a sound and efficient financial system in Nigeria.



- Acting as banker and financial adviser to the Federal Government; and
- Acting as lender of last resort to banks.

Consequently, the Bank is charged with the responsibility of administering the Banks and Other Financial Institutions Act (1991), with the sole aim of ensuring high standards of banking practice and financial stability through its surveillance activities, as well as the promotion of an efficient payment system. In addition to its core functions, CBN has over the years performed some major developmental functions, focused on all the key sectors of the Nigerian economy (financial, agricultural and industrial sectors). CBN has its headquarters in Abuja and has 28 branches throughout the country.

CBN has a statutory mandate for the “*promotion and maintenance of monetary stability and a sound and efficient financial system in Nigeria*”. Specifically, this refers to the establishment of an effective financial system, whereby financial transactions necessary for the smooth functioning of the economy can be carried out with a minimum amount of cost and time involved. CBN wishes to evaluate the technical, financial, economic, and other critical aspects of designing, developing, implementing and operating a shared Disaster Recovery (DR) facility for the commercial banks in Nigeria. CBN recognizes that investment in a shared DR facility for the commercial banks is critical to the commercial banks’ ability to reduce operating costs while providing enhanced availability and reliability of its banking systems as well as ensuring that critical banking information is protected and secure. While CBN maintains its own disaster recovery facility currently, a shared DR facility could also serve CBN’s own needs in the future more cost effectively. This will be considered in the study. CBN senior management is the primary driver of the Project, along with the CIO Nexus, and has given the Project its full support.

#### **D. Implementation Financing**

Financial analysis for this Project should focus on the reduction in banking operating costs of the beneficiaries and the benefits gained of having enhanced availability and reliability of banking systems as well as ensuring that critical banking information is protected and secure. It should also focus on the financial viability of the Shared Disaster Recovery facility as a standalone project.

The Economic and Financial Analysis tasks in the TOR are combined to derive an overall economic/financial justification for the project that would assist CBN and the participating commercial banks in their pursuit of internal and external financing. Based on the operational and business model established through the Technical Assistance and decisions by CBN and the commercial banks, financing could come from a variety of sources, including: CBN, commercial banks, international and bilateral financing institutions, export credit agencies, vendor financing, and/or private debt and equity financing arranged by the owner/operator of the DR facility.

The US Export-Import Bank (ExIm) provides working capital guarantees (pre-export financing); export credit insurance; and loan guarantees and direct loans (buyer financing). Depending on ownership and US content, Ghana would be eligible for ExIm Bank support, including loans up to 12-15 years, that would be available to US and foreign companies, including foreign leasing companies,



for US-made equipment, provided that the transaction is guaranteed by the full faith and credit of the host government, or if the private sector buyers of the US goods and services are adequately capitalized to make the transaction sufficiently creditworthy.

The Overseas Private Investment Corporation (OPIC) provides financing through direct loans and loan guarantees for medium to long-term funding of ventures involving significant equity and/or management participation by U.S. businesses. If the Project is developed with a minimum of 25% US investment, it would be eligible for OPIC financing.

## **F. Foreign Competition and Market Entry Issues**

### **G. Developmental Impact**

**Infrastructure** – The establishment a DR site for up to 25 commercial banks in Nigeria represents a significant infrastructure buildout, including: buildings with HVAC and fire suppression capabilities, network infrastructure, and captive power generation facilities.

**Human Capacity Building** - If implemented, the project will entail significant ICT and DR facility operations and management training for CBN and commercial bank staff. It is expected that training for over 50 junior and management staff will be included in software, hardware and facility procurement packages.

**Technology Transfer and Productivity Improvement** - If implemented, the Project will introduce a state of the art disaster recovery facility, with resulting reduced operating costs and productivity improvements. Such improvements will be estimated as part of the economic cost/benefit analysis for the project included in the terms of reference. All aspects of operating maintaining and managing a state of the art shared disaster recovery facility will be introduced.

**Other** – The Project will have significant impact on all sectors of the economy throughout the country by providing efficient, reliable, safe and cost-effective banking/financial systems, thereby enhancing public confidence in the banking/financial industry. The growth of the financial sector facilitates domestic and foreign investment and economic growth.

### **H. Impact on the Environment**

There is potential for significant positive impact on the environment from the proposed shared Disaster Recovery Facility Project. The shared facility will replace existing individual DR facilities that are powered by redundant diesel generators and less efficient HVACs. Based on the



potential environmental impact of the DR site and related infrastructure (i.e. buildings, network infrastructure, and captive power generation facilities) we recommend that the TOR include a preliminary environmental impact assessment in line with USDA's basic requirements.

### **I. Impact on U.S. Labor**

Based upon our review, we found that the Project does not provide: (a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States; (b) assistance for any project or activity that contributes to the violation of internationally recognized workers' rights; or (c) direct assistance for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

The Project will assist the Central Bank of Nigeria, an independent Government of Nigeria institution, as well as Nigerian commercial banks to modernize existing Disaster Recovery facilities, resulting in reduced banking operations costs. Therefore the project is not expected to have any negative impact on U.S. industry or reduce employment in the US. Positive impacts on US labor in the form of US exports and jobs in the ICT industry are expected if the Project is implemented.

### **J. US Contractor Qualifications and Award Criteria**

Technical assistance and training should be conducted through a U.S. consulting company with the following experience:

- Assessing disaster recovery facility requirements with a high degree of redundancy and reliability for mid-sized to large financial institutions;
- Designing and implementing disaster a recovery facility that is highly redundant and reliable;
- Designing and implementing "virtual machine" and shared "hosting" ICT environments;
- Working in emerging market economies similar to Nigeria to develop complex financial sector IT projects.

### **Technical Evaluation Criteria (100 Points Total)**



Evaluation criteria to help rate the proposals received and weigh their relative merits to facilitate the selection process is provided below. These criteria are illustrative and suggestive for the use of the Grantee and USTDA to develop final award criteria for evaluation and selection of a US contractor to perform the USTDA funded technical assistance.

#### **Points**

**35**

#### **Technical Proposal**

- Technical approach for assessing and developing recommendations for a shared DR facility. (30);
- Technical approach for assessing and developing recommendations for “virtual machines” and shared “hosting” requirements (5);

**35**

#### **Personnel and Management Plan**

- Experience and expertise of the Project Manager proposed in developing DR facilities in the international banking sector (25); and
- Experience and expertise of the Team personnel in fulfilling the various functions of each component of the program (10).

**30**

#### **Firm Technical Capability and Past Performance**

- Experience in the commercial banking sector in emerging economies (15); and
- Experience working with central banks providing technical assistance and training (15).

#### **K. Justification**

It is universally recognized and accepted that a strong and reliable financial infrastructure is the necessary underpinning for a well-functioning financial sector. A stable banking sector enhances the stability of the country's economic system, contributing to economic growth. The central bank in a country plays a critical role in enabling that financial infrastructure to function efficiently, effectively, reliably and transparently. The Central Bank of Nigeria has begun the planning process for a shared Disaster Recovery Facility for commercial banks. The CIO Nexus, an organization of CIO's of Nigerian commercial banks, supports this process. The CBN and the commercial banks need a comprehensive plan to implement the shared DR facility. Designing, implementing, operating and managing such a facility for the first time in the country is an extremely challenging undertaking with a high risk of partial or total



failure. The proposed USTDA funded study will provide the careful planning, along with the expertise and experience that is required to mitigate that risk.

#### **M. Recommendations**

The NDA Team recommends USTDA funding for the Central Bank of Nigeria shared Disaster Recovery Technical Assistance Project in the amount of \$510,000. If successfully implemented, the Project would improve the availability and reliability of banking systems in Nigeria as well as ensuring that critical banking information is protected and secure while at the time reducing the commercial banks' operating costs. This in turn would improve public confidence in the banking/financial resulting in positive impacts on economic development. US companies are well positioned to participate in implementation and realistic US exports are estimated at \$17 million. CBN is a strong and responsive grantee and financing for the project is likely to come from a combination of commercial banks' budgetary resources and bilateral and international finance institutions and donors.



**ANNEX 3**



**U.S. TRADE AND DEVELOPMENT AGENCY  
Arlington, VA 22209-2131**

**NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS**

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the prefeasibility, feasibility, and implementation stages of a project.

**USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):**

Except as USTDA may otherwise agree, each of the following provisions shall apply to the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

**NATIONALITY:**

1) Rule

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S.

subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

## 2) Application

Accordingly, only a U.S. firm or U.S. individual may submit proposals on USTDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

## 3) Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

## **SOURCE AND ORIGIN:**

### 1) Rule

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USTDA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

### 2) Application

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

### 3) Definitions

"Source" means the country from which shipment is made.

"Origin" means the place of production, through manufacturing, assembly or otherwise.

*Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel.*

**ANNEX 4**

NIGERIA 2011-11028A

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U.S. TRADE AND DEVELOPMENT AGENCY

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GRANT AGREEMENT

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This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and the Government of the Federal Republic of Nigeria, acting through the Central Bank of Nigeria ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US \$510,000 ("USTDA Grant") to fund the cost of goods and services required for technical assistance ("TA") on the proposed Shared Disaster Recovery Services project ("Project") in Nigeria ("Host Country").

1. USTDA Funding

The funding to be provided under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm selected by the Grantee ("Contractor") under which the Contractor will perform the TA ("Contract"). Payment to the Contractor will be made directly by USTDA on behalf of the Grantee with the USTDA Grant funds provided under this Grant Agreement.

2. Terms of Reference

The Terms of Reference for the TA ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The TA will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the TA shall also be included in the Contract.

3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials, and commercial entities, in their respective countries. The parties to this Grant Agreement and the Contractor shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the TA.

4. Grantee Responsibilities

The Grantee shall undertake its best efforts to provide reasonable support for the Contractor, such as local transportation, office space, and secretarial support.

## 5. USTDA as Financier

### (A) USTDA Approval of Competitive Selection Procedures

Selection of the U.S. Contractor shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors with advance notice of the procurement published online through *Federal Business Opportunities* ([www.fedbizopps.gov](http://www.fedbizopps.gov)). Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information and/or approval.

### (B) USTDA Approval of Contractor Selection

The Grantee shall notify USTDA at the address of record set forth in Article 17 below upon selection of the Contractor to perform the TA. Upon approval of this selection by USTDA, the Grantee and the Contractor shall then enter into a contract for performance of the TA. The Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the TA that they were not selected.

### (C) USTDA Approval of Contract Between Grantee and Contractor

The Grantee and the Contractor shall enter into a contract for performance of the TA. This contract, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing. To expedite this approval, the Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 17 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract.

### (D) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the TA and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they might have against the

Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

**(E) Grant Agreement Controlling**

Regardless of USTDA approval, the rights and obligations of any party to the contract or subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and any contract or subcontract funded by the Grant Agreement, the Grant Agreement shall be controlling.

**6. Disbursement Procedures**

**(A) USTDA Approval of Contract Required**

USTDA will make disbursements of Grant funds directly to the Contractor only after USTDA approves the Grantee's contract with the Contractor.

**(B) Contractor Invoice Requirements**

The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the TA by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

**7. Effective Date**

The effective date of this Grant Agreement ("Effective Date") shall be the date of signature by both parties or, if the parties sign on different dates, the date of the last signature.

**8. TA Schedule**

**(A) TA Completion Date**

The completion date for the TA, which is June 1, 2013, is the date by which the parties estimate that the TA will have been completed.

**(B) Time Limitation on Disbursement of USTDA Grant Funds**

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

## **9. USTDA Mandatory Clauses**

All contracts funded under this Grant Agreement shall include the USTDA mandatory clauses set forth in Annex II to this Grant Agreement. All subcontracts funded or partially funded with USTDA Grant funds shall include the USTDA mandatory clauses, except for clauses B(1), G, H, I, and J.

## **10. Use of U.S. Carriers**

### **(A) Air**

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

### **(B) Marine**

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

## **11. Nationality, Source and Origin**

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the TA and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to TA support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

## **12. Taxes**

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

### **13. Cooperation Between Parties and Follow-Up**

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (as defined in Clause I of Annex II), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status or results of the Project, and upon receipt by the Grantee of the Final Report, will designate (by both title and organization) a point of contact for any such inquiries.

### **14. Implementation Letters**

To assist the Grantee in the implementation of the TA, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by the Grant Agreement. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by the Grant Agreement.

### **15. Recordkeeping and Audit**

The Grantee agrees to maintain books, records, and other documents relating to the TA and the Grant Agreement adequate to demonstrate implementation of its responsibilities under the Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review books, records, and other documents relating to the TA and the Grant Agreement.

### **16. Representation of Parties**

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by the Director of Information Technology. The parties hereto may, by written notice, designate additional representatives for all purposes under the Grant Agreement.

### **17. Addresses of Record for Parties**

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through a wire or electronic medium which produces a tangible record of the transmission, such as a telegram, cable or facsimile, and will be deemed duly given or sent when delivered to such party at the following:

To: Central Bank of Nigeria  
Information Technology Department  
Plot 33, Abubakar Tafawa Balewa Way  
Central Business District, Cadastral Zone,  
Abuja, Federal Capital Territory  
Nigeria

Phone: +234 9 462 36103  
Electronic Mail: jayoh@cbn.gov.ng

To: U.S. Trade and Development Agency  
1000 Wilson Boulevard, Suite 1600  
Arlington, Virginia 22209-3901  
USA

Phone: (703) 875-4357  
Fax: (703) 875-4009

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial Section of the U.S. Embassy in Host Country with a copy of each communication sent to USTDA.

Any communication relating to this Grant Agreement shall include the following fiscal data:

Appropriation No.: 11 11/12 1001  
Activity No.: 2011-11028A  
Reservation No.: 2011279  
Grant No.: GH201111279

#### **18. Termination Clause**

Either party may terminate the Grant Agreement by giving the other party thirty (30) days advance written notice. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the TA, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the written notice of termination.

**19. Non-waiver of Rights and Remedies**

No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

**20. U.S. Technology and Equipment**

By funding this TA, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Government of the United States of America and the Government of the Federal Republic of Nigeria, each acting through its duly authorized representative, have caused this Agreement to be signed in the English language in their names and delivered as of the day and year written below. In the event that this Grant Agreement is signed in more than one language, the English language version shall govern.

For the Government of the  
United States of America

For the Government of the  
Federal Republic of Nigeria

By: Terence P. McCulley

By: Tunde O. Lemo

U.S. Ambassador to Nigeria  
Terence P. McCulley

Central Bank of Nigeria Deputy Governor  
Tunde O. Lemo

Date: September 15, 2011

Date: September 15, 2011

Witnessed:

Witnessed:

By: John A. Ball

By: John A. Ball

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

## Annex I

### **Terms of Reference**

The purpose of this TA is to evaluate the technical, financial, economic, and other critical aspects of designing, developing, implementing and operating a shared disaster recovery center (DRC) for the Grantee and the commercial banks of Nigeria. The Project's goals are to 1) reduce the operating costs of Nigeria's banking sector; 2) improve the reliability and availability of Nigeria's banking system; and 3) ensure that sensitive banking information is protected and secure. The Project is expected to serve all or part of the Grantee's DRC requirements in addition to those of the member banks of the CIO Nexus, an association of Chief Information Officers representing the following Nigerian commercial banks:

- Access Bank, Plc
- Afribank Nigeria, Plc
- Bank PHB, Plc
- Diamond Bank, Plc
- Fidelity Bank, Plc
- Finbank, Plc
- First Bank of Nigeria, Plc
- First City Monument Bank, Plc
- Guaranty Trust Bank, Plc
- Intercontinental Bank, Plc
- Oceanic Bank International, Plc
- Skye Bank, Plc
- Stanbic IBTC Bank Plc
- Sterling Bank, Plc
- Union Bank for Africa, Plc
- Union Bank of Nigeria, Plc
- Unity Bank, Plc
- Wema Bank, Plc
- Zenith Bank, Plc

#### **Task 1: Kickoff Meeting and Work Plan**

*1.1: Document Review:* The Grantee shall provide the Contractor with all available information related to the Project and all relevant data and reports regarding planning and/or implementation of a shared DRC for commercial banks in Nigeria. The Contractor shall review all of the information collected and/or provided by the Grantee.

*1.2: Kickoff Meeting, Stakeholder Consultations, and Work Plan:* The Contractor shall conduct a kickoff meeting with the Grantee, members of the CIO Nexus, and other relevant stakeholders identified by the Grantee. The meeting shall take place at the Grantee's office, or another appropriate venue provided at the Grantee's cost.

The purpose of the kickoff meeting shall be to enable the Contractor to engage in a discussion about the Project and gain an understanding of the stakeholders' perspectives, priorities, and desired outcomes for the Project. The Grantee and stakeholders shall form and identify points of contact for a work committee which shall provide input to the Contractor throughout the TA.

The Contractor shall review the tasks to be performed under these Terms of Reference, review the Contractor's work plan to perform the tasks under these Terms of Reference, and gather input from the Grantee regarding the Contractor's work plan for the TA.

*1.3: Case Study Review:* The Contractor shall research, review and present findings on case studies of shared DRCs in other countries, particularly those with a similar level of economic development to Nigeria. The Contractor's review shall include an assessment of various technical requirements, operational models, and business models implemented.

*Task 1 Deliverable:* The Contractor shall prepare a report of all work performed under Task 1. The Task 1 Deliverable shall be included in the Final Report.

## **Task 2: Assessment of Existing Facilities and Standards Development**

*2.1: Review and Assessment:* The Contractor shall inspect, review and assess the existing DRC plans and DRC facilities of the Grantee and at least ten (10) commercial banks that are members of the CIO Nexus. The Contractor's inspection, review and assessment shall include, at least:

- existing and desired DRC facility requirements;
- existing and desired data archiving requirements;
- acquisition and operational costs of the existing DRCs; redundancy levels of the various components of the existing DRC facilities;
- existing and desired performance levels (availability, reliability, service level agreements);
- testing schedules and results of existing DRCs; and
- existing and desired information security and physical security.

*2.2: Risk Analysis:* The Contractor shall perform a qualitative risk analysis to assess the risks to the Grantee and the commercial banks of operating individual DRCs. The Contractor shall compare these risks to the anticipated risks of the Project. The Contractor's analysis shall take into account the Contractor's analysis in Tasks 1.3 and 2.1 above. The Contractor's analysis shall focus on a five-year time frame.

*2.3: Draft Standards:* The Contractor shall review existing industry standards for auditing (Statement on Auditing Standards (SAS) 70 Type II) and benchmarking DRCs. The Contractor shall develop a draft set of auditing standards for the Project.

*Task 2 Deliverable:* The Contractor shall prepare a report of all work performed under Task 2. The Task 2 Deliverable shall be included in the Final Report.

### **Task 3: Technical, Operational, and Business Requirements**

The Contractor shall develop the technical requirements, operational model, and business model for a shared DR facility for Nigerian commercial banks capable of meeting the proposed draft standards for implementing a secure, reliable and cost effective shared DR facility in Nigeria.

*3.1: Technical Requirements:* Based on the Contractor's analysis in Task 2 above, the Contractor shall prepare technical requirements for the Project. The Contractor's analysis shall consider at least:

- site, location and size;
- power source, usage, delivery paths, and redundancy;
- communications and connectivity including internet service provider, availability of bandwidth, and redundancy of connectivity;
- physical security and access;
- heating, ventilation, air conditioning, and climate control;
- fire suppression systems;
- redundancy requirements;
- compartmentalization requirements;
- worst scenario fault tolerance;
- testing schedule and metrics;
- recovery point objective (RPO); and
- recovery time objective (RTO).

*3.2: Operational Model:* The Contractor shall develop the operational model for the Project. The Contractor's recommendations shall include, at least:

- recommended Tier Classification (based on the Seven Tears of Disaster Recovery) of the Project;
- establishment of authority to manage and operate the Project;
- recommendations on how to develop agreements and terms of use for the use of the Project; and
- recommendations on how to develop service level agreements (SLA) and corresponding availability metrics.

*3.3: Business Model:* The Contractor shall develop the business model for the Project. The Contractor's recommendations shall include, at least:

- implementation options (c.g. third-party service provider, shared responsibilities among users, etc.)
- costs of implementation and operation;
- life-cycle cost of equipment;
- shared fee structure; and
- strategies for implementing and promoting the Project.

*Task 3 Deliverable:* The Contractor shall prepare a report of all work performed under Task 3. The Task 3 Deliverable shall be included in the Final Report.

#### **Task 4: Capacity Building Workshops**

*4.1: Capacity Building:* During the course of the TA, the Contractor shall provide at least 15 days of training to a total of at least 30 participants. The training venue shall be provided at the Grantee's cost. The Contractor shall coordinate with the Grantee and other Project stakeholders as defined in Task 1 above on appropriate training content. The Contractor shall provide all training participants with an agenda, workbooks, reference materials, and other handouts or presentation materials, as needed; conduct the training; and maintain training records, including the agenda, workbooks, reference materials, any handouts or presentation materials, a list of all training participants, and a description of the training provided. The Contractor shall determine the training topics based on input from the Grantee and other training participants. Possible training topics include, but are not limited to:

- Statement on Auditing Standards (SAS) 70 Type II;
- industry standard Tier Classification of data centers and DRCs;
- data archiving including data reduction, data compression and de-duplication;
- data and information security;
- shared hosting services; and
- cloud-based disaster recovery services.

*4.2: Additional Training Requirements:* Following the completion of the training, the Contractor shall assess the requirements for additional capacity building. The Contractor shall make recommendations on where such training can be provided, including training provided by equipment vendors through procurements related to the Project. The Contractor shall estimate the costs for the recommended additional training and recommend a long-term training program schedule for the Grantee. The Contractor's recommendations shall consider the Grantee's and other stakeholders' budgetary resources for such training. The training plan recommended by the Contractor shall be incorporated into the Implementation Plan in Task 10 below.

*Task 4 Deliverable:* The Contractor shall prepare a report of all work performed under Task 4. The Task 4 Deliverable shall be included in the Final Report.

#### **Task 5: Identification of U.S. Sources of Supply**

The Contractor shall conduct an assessment of available U.S. sources of supply for the Project. U.S. sources of supply shall include U.S. providers of the different categories of goods and services required for Project implementation, including full service design, building, and operating companies. For each source identified, the Contractor shall include: company name, point of contact, address, telephone, fax, e-mail, and relevant goods and services provided. The Contractor shall contact at least 20 potential U.S.

equipment, technology, and service providers for the Project, and compile a list of those companies that express interest in participating in the Project.

*Task 5 Deliverable:* The Contractor shall prepare a report of all work performed under Task 5. The Task 5 Deliverable shall be included in the Final Report.

#### **Task 6: Regulatory Requirements**

The Contractor shall perform a review of regulatory, policy and institutional issues related to the Project. The Contractor's analysis shall include, but not be limited to:

- terms of use, including rules and regulations for both provider and users of the Project;
- physical and information security;
- privacy issues; and
- auditing and benchmarking standards for disaster recovery facilities in Nigeria.

*Task 6 Deliverable:* The Contractor shall prepare a report of all work performed under Task 6. The Task 6 Deliverable shall be included in the Final Report.

#### **Task 7: Economic and Financial Analysis**

*7.1: Economic Analysis:* Based on the Contractor's implementation cost, operating cost, and equipment life-cycle cost estimates in Task 3.3 above, the Contractor shall perform an economic cost benefit analysis of the Project, including an analysis of competing alternative methods of achieving the Project objectives.

*7.2: Financial Analysis:* The Contractor shall perform a financial analysis of the Project, including internal rate of return and return on investment, and make recommendations regarding financing options. The Contractor shall identify and contact potential sources of financing to assess their level of interest in providing financing or guarantees to the Project including the U.S. Export-Import Bank and multilateral financing institutions.

*Task 7 Deliverable:* The Contractor shall prepare a report of all work performed under Task 7. The Task 7 Deliverable shall be included in the Final Report.

#### **Task 8: Developmental Impact Analysis**

The Contractor shall provide an assessment of the anticipated development impacts of the Project. The Contractor shall focus on the Project's anticipated outcomes if the Project is implemented according to the TA recommendations. The Contractor's analysis shall be as concrete and detailed as possible. The Contractor shall provide estimates of the Project's potential benefits in the following areas:

- *Infrastructure:* The Contractor shall identify the anticipated infrastructure developments which will occur as a result of the Project.

- *Human Capacity Building:* The Contractor shall identify the anticipated number and types of local jobs that will be created as a result of the Project. The Contractor shall also identify the number of local people who would receive training and the types of training programs required for the Project. The Contractor shall not include training performed under these Terms of Reference in the development impact assessment.
- *Technology Transfer and Productivity Enhancement:* The Contractor shall provide a description of any advanced technologies that would be utilized as a result of the Project, especially any technologies which would be new to the Nigerian market. The Contractor shall identify anticipated efficiencies that would be gained as a result of the Project.
- *Market Oriented Reform:* The Contractor shall provide a description of any regulations, laws, or institutional changes that are recommended pursuant to this TA and the effect they would have if implemented.
- *Other:* The Contractor shall describe any other developmental impacts or benefits that would result from the Project (e.g. reduced transaction costs, more reliable and secure electronic banking, increased penetration of the formal financial sector in Nigeria, etc.).

*Task 8 Deliverable:* The Contractor shall prepare a report of all work performed under Task 8. The Task 8 Deliverable shall be included in the Final Report.

#### **Task 9: Preliminary Environmental Impact Analysis**

The Contractor shall conduct a preliminary review of the Project's anticipated impact on the environment. The Contractor's assessment shall make reference to local requirements and those of multilateral lending agencies such as the World Bank. The Contractor's assessment shall identify potential negative impacts on the environment, discuss the extent to which they can be mitigated, and develop plans for a full environmental impact assessment if and when the Project moves forward to the implementation stage. The Contractors shall outline the steps that will need to be undertaken by the Grantee subsequent to the TA's completion and prior to Project implementation. The Contractor's assessment shall also identify potential positive environmental impacts of the Project, such as the reduction in power requirements and emissions of pollutants from diesel generators, which are currently being used to power existing DRCs.

*Task 9 Deliverable:* The Contractor shall prepare a report of all work performed under Task 9. The Task 9 Deliverable shall be included in the Final Report.

#### **Task 10: Final Workshop and Implementation Plan**

*10.1: Final Workshop:* The Contractor shall hold a workshop to present the Contractor's findings from Tasks 1-9 above to the Grantee and other Project stakeholders as defined in Task 1 above. The purpose of the workshop shall be to solicit input from the Grantee and Project stakeholders and achieve consensus on the implementation of the Project. The workshop venue shall be provided at the Grantee's cost. The Contractor shall provide all workshop participants with an agenda, workbooks, reference materials, and other handouts or presentation materials, as needed; conduct the training; and maintain training records, including the agenda, workbooks, reference materials, any handouts or presentation materials, a list of all workshop participants, and a description of the workshop.

*10.2: Implementation Plan:* Based on the Contractor's findings in Tasks 1-9 above, and on the input received from the Grantee and Project stakeholders in Task 10.1 above, the Contractor shall develop a detailed implementation plan for the Project. The Contractor's recommendations shall include, at least:

- implementation timeline;
- development of plans for staffing;
- training requirements, as determined in Task 4.2 above; and
- maintenance plan for the Project.

*10.3: Tender Documents:* The Contractor shall prepare draft technical sections of the tender documents and tender evaluation criteria for the Project. The tender documents shall be intended for the Grantee's and Project stakeholders' use in implementing the Project. The Contractor shall not be expected to evaluate bids on behalf of the Grantee or Project stakeholders.

*10.4: Executive Summary:* The Contractor shall produce an executive summary of the TA's final recommendations which shall be appropriate for presentation to prospective investors, operators, and financiers.

*Task 10 Deliverable:* The Contractor shall prepare a report of all work performed under Task 10. The Task 10 Deliverable shall be included in the Final Report.

### **Task 11: Final Report**

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

## Annex II

### USTDA Mandatory Contract Clauses

#### **A. USTDA Mandatory Clauses Controlling**

The parties to this contract acknowledge that this contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and the Government of the Federal Republic of Nigeria, acting through the Central Bank of Nigeria ("Client"), dated \_\_\_\_\_ ("Grant Agreement"). The Client has selected \_\_\_\_\_ ("Contractor") to perform the technical assistance ("TA") for the Shared Disaster Recovery Services project ("Project") in Nigeria ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

#### **B. USTDA as Financier**

##### **(1) USTDA Approval of Contract**

All contracts funded under the Grant Agreement, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing in order to be effective with respect to the expenditure of USTDA Grant funds. USTDA will not authorize the disbursement of USTDA Grant funds until the contract has been formally approved by USTDA or until the contract conforms to modifications required by USTDA during the contract review process.

##### **(2) USTDA Not a Party to the Contract**

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the TA and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or

liability to such parties. Any approval or failure to approve by USTDA shall not bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

### **C. Nationality, Source and Origin**

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the TA and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to TA support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

### **D. Recordkeeping and Audit**

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the contract term and for a period of three (3) years after final disbursement by USTDA. The Contractor and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

### **E. U.S. Carriers**

#### **(1) Air**

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

**(2) Marine**

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

**F. Workman's Compensation Insurance**

The Contractor shall provide adequate Workman's Compensation Insurance coverage for work performed under this Contract.

**G. Reporting Requirements**

The Contractor shall advise USTDA by letter as to the status of the Project on March 1st annually for a period of two (2) years after completion of the TA. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, and fax number. Since this information may be made publicly available by USTDA, any information which is confidential shall be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

**H. Disbursement Procedures**

**(1) USTDA Approval of Contract**

Disbursement of Grant funds will be made only after USTDA approval of this contract. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor a photocopy of an English language version of a signed contract or a final negotiated draft version to the attention of the General Counsel's office at USTDA's address listed in Clause M below.

**(2) Payment Schedule Requirements**

A payment schedule for disbursement of Grant funds to the Contractor shall be included in this Contract. Such payment schedule must conform to the following USTDA requirements: (1) up to twenty percent (20%) of the total USTDA Grant amount may be used as a mobilization payment; (2) all other payments, with the exception of the final payment, shall be based upon contract performance milestones; and (3) the final payment may be no less than fifteen percent (15%) of the total USTDA Grant amount, payable upon receipt by USTDA of an approved Final Report in accordance with the specifications and quantities set forth in Clause I below. Invoicing procedures for all payments are described below.

### **(3) Contractor Invoice Requirements**

USTDA will make all disbursements of USTDA Grant funds directly to the Contractor. The Contractor must provide USTDA with an ACH Vendor Enrollment Form (available from USTDA) with the first invoice. The Client shall request disbursement of funds by USTDA to the Contractor for performance of the contract by submitting the following to USTDA:

#### **(a) Contractor's Invoice**

The Contractor's invoice shall include reference to an item listed in the Contract payment schedule, the requested payment amount, and an appropriate certification by the Contractor, as follows:

##### **(i) For a mobilization payment (if any):**

"As a condition for this mobilization payment, the Contractor certifies that it will perform all work in accordance with the terms of its Contract with the Client. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

##### **(ii) For contract performance milestone payments:**

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

##### **(iii) For final payment:**

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

#### **(b) Client's Approval of the Contractor's Invoice**

(i) The invoice for a mobilization payment must be approved in writing by the Client.

(ii) For contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement."

(iii) For final payment, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the Contractor has been reviewed and approved by the Client."

**(c) USTDA Address for Disbursement Requests**

Requests for disbursement shall be submitted by courier or mail to the attention of the Finance Department at USTDA's address listed in Clause M below.

**(4) Termination**

In the event that the Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for reasonable and documented costs which have been incurred in performing the Terms of Reference prior to termination, as well as reasonable wind down expenses. Reimbursement for such costs shall not exceed the total amount of undisbursed Grant funds. Likewise, in the event of such termination, USTDA is entitled to receive from the Contractor all USTDA Grant funds previously disbursed to the Contractor (including but not limited to mobilization payments) which exceed the reasonable and documented costs incurred in performing the Terms of Reference prior to termination.

**I. USTDA Final Report**

**(1) Definition**

"Final Report" shall mean the Final Report described in the attached Annex I Terms of Reference or, if no such "Final Report" is described therein, "Final Report" shall mean a substantive and comprehensive report of work performed in accordance with the attached Annex I Terms of Reference, including any documents delivered to the Client.

**(2) Final Report Submission Requirements**

The Contractor shall provide the following to USTDA:

(a) One (1) complete version of the Final Report for USTDA's records. This version shall have been approved by the Client in writing and must be in the English language. It is the responsibility of the Contractor to ensure that confidential information, if any, contained in this version be clearly marked. USTDA will maintain the confidentiality of such information in accordance with applicable law.

and

(b) One (1) copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (a) above contains no confidential information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient Project detail to be useful to prospective equipment and service providers.

and

(c) Two (2) CD-ROMs, each containing a complete copy of the Public Version of the Final Report. The electronic files on the CD-ROMs shall be submitted in a commonly accessible read-only format. As these CD-ROMs will be available for public distribution, they must not contain any confidential information. It is the responsibility of the Contractor to ensure that no confidential information is contained on the CD-ROMs.

The Contractor shall also provide one (1) copy of the Public Version of the Final Report to the Foreign Commercial Service Officer or the Economic Section of the U.S. Embassy in Host Country for informational purposes.

### **(3) Final Report Presentation**

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, USTDA's mailing and delivery addresses. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling the front cover of the Public Version of the Final Report with the term "Public Version." The front cover of every Final Report shall also contain the following disclaimer:

"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U. S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of

USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement. Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

(c) The Contractor shall affix to the front of the CD-ROM a label identifying the Host Country, USTDA Activity Number, the name of the Client, the name of the Contractor who prepared the report, a report title, and the following language:

"The Contractor certifies that this CD-ROM contains the Public Version of the Final Report and that all contents are suitable for public distribution."

(d) The Contractor and any subcontractors that perform work pursuant to the Grant Agreement must be clearly identified in the Final Report. Business name, point of contact, address, telephone and fax numbers shall be included for Contractor and each subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers shall be included for each commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

#### **J. Modifications**

All changes, modifications, assignments or amendments to this contract, including the appendices, shall be made only by written agreement by the parties hereto, subject to written USTDA approval.

#### **K. TA Schedule**

##### **(1) TA Completion Date**

The completion date for the TA, which is June 1, 2013, is the date by which the parties estimate that the TA will have been completed.

## **(2) Time Limitation on Disbursement of USTDA Grant Funds**

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

### **L. Business Practices**

The Contractor agrees not to pay, promise to pay, or authorize the payment of any money or anything of value, directly or indirectly, to any person (whether a governmental official or private individual) for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the TA. The Client agrees not to receive any such payment. The Contractor and the Client agree that each will require that any agent or representative hired to represent them in connection with the TA will comply with this paragraph and all laws which apply to activities and obligations of each party under this Contract, including but not limited to those laws and obligations dealing with improper payments as described above.

### **M. USTDA Address and Fiscal Data**

Any communication with USTDA regarding this Contract shall be sent to the following address and include the fiscal data listed below:

U.S. Trade and Development Agency  
1000 Wilson Boulevard, Suite 1600  
Arlington, Virginia 22209-3901  
USA

Phone: (703) 875-4357  
Fax: (703) 875-4009

#### Fiscal Data:

Appropriation No.: 11 11/12 1001  
Activity No.: 2011-11028A  
Reservation No.: 2011279  
Grant No.: GH201111279

### **N. Definitions**

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Grant Agreement.

**O. Taxes**

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Client nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

**ANNEX 5**

## Annex I

### Terms of Reference

The purpose of this TA is to evaluate the technical, financial, economic, and other critical aspects of designing, developing, implementing and operating a shared disaster recovery center (DRC) for the Grantee and the commercial banks of Nigeria. The Project's goals are to 1) reduce the operating costs of Nigeria's banking sector; 2) improve the reliability and availability of Nigeria's banking system; and 3) ensure that sensitive banking information is protected and secure. The Project is expected to serve all or part of the Grantee's DRC requirements in addition to those of the member banks of the CIO Nexus, an association of Chief Information Officers representing the following Nigerian commercial banks:

- Access Bank, Plc
- Afribank Nigeria, Plc
- Bank PHB, Plc
- Diamond Bank, Plc
- Fidelity Bank, Plc
- Finbank, Plc
- First Bank of Nigeria, Plc
- First City Monument Bank, Plc
- Guaranty Trust Bank, Plc
- Intercontinental Bank, Plc
- Oceanic Bank International, Plc
- Skye Bank, Plc
- Stanbic IBTC Bank Plc
- Sterling Bank, Plc
- Union Bank for Africa, Plc
- Union Bank of Nigeria, Plc
- Unity Bank, Plc
- Wema Bank, Plc
- Zenith Bank, Plc

#### **Task 1: Kickoff Meeting and Work Plan**

*1.1: Document Review:* The Grantee shall provide the Contractor with all available information related to the Project and all relevant data and reports regarding planning and/or implementation of a shared DRC for commercial banks in Nigeria. The Contractor shall review all of the information collected and/or provided by the Grantee.

*1.2: Kickoff Meeting, Stakeholder Consultations, and Work Plan:* The Contractor shall conduct a kickoff meeting with the Grantee, members of the CIO Nexus, and other relevant stakeholders identified by the Grantee. The meeting shall take place at the Grantee's office, or another appropriate venue provided at the Grantee's cost.

The purpose of the kickoff meeting shall be to enable the Contractor to engage in a discussion about the Project and gain an understanding of the stakeholders' perspectives, priorities, and desired outcomes for the Project. The Grantee and stakeholders shall form and identify points of contact for a work committee which shall provide input to the Contractor throughout the TA.

The Contractor shall review the tasks to be performed under these Terms of Reference, review the Contractor's work plan to perform the tasks under these Terms of Reference, and gather input from the Grantee regarding the Contractor's work plan for the TA.

*1.3: Case Study Review:* The Contractor shall research, review and present findings on case studies of shared DRCs in other countries, particularly those with a similar level of economic development to Nigeria. The Contractor's review shall include an assessment of various technical requirements, operational models, and business models implemented.

*Task 1 Deliverable:* The Contractor shall prepare a report of all work performed under Task 1. The Task 1 Deliverable shall be included in the Final Report.

## **Task 2: Assessment of Existing Facilities and Standards Development**

*2.1: Review and Assessment:* The Contractor shall inspect, review and assess the existing DRC plans and DRC facilities of the Grantee and at least ten (10) commercial banks that are members of the CIO Nexus. The Contractor's inspection, review and assessment shall include, at least:

- existing and desired DRC facility requirements;
- existing and desired data archiving requirements;
- acquisition and operational costs of the existing DRCs; redundancy levels of the various components of the existing DRC facilities;
- existing and desired performance levels (availability, reliability, service level agreements);
- testing schedules and results of existing DRCs; and
- existing and desired information security and physical security.

*2.2: Risk Analysis:* The Contractor shall perform a qualitative risk analysis to assess the risks to the Grantee and the commercial banks of operating individual DRCs. The Contractor shall compare these risks to the anticipated risks of the Project. The Contractor's analysis shall take into account the Contractor's analysis in Tasks 1.3 and 2.1 above. The Contractor's analysis shall focus on a five-year time frame.

*2.3: Draft Standards:* The Contractor shall review existing industry standards for auditing (Statement on Auditing Standards (SAS) 70 Type II) and benchmarking DRCs. The Contractor shall develop a draft set of auditing standards for the Project.

*Task 2 Deliverable:* The Contractor shall prepare a report of all work performed under Task 2. The Task 2 Deliverable shall be included in the Final Report.

### **Task 3: Technical, Operational, and Business Requirements**

The Contractor shall develop the technical requirements, operational model, and business model for a shared DR facility for Nigerian commercial banks capable of meeting the proposed draft standards for implementing a secure, reliable and cost effective shared DR facility in Nigeria.

*3.1: Technical Requirements:* Based on the Contractor's analysis in Task 2 above, the Contractor shall prepare technical requirements for the Project. The Contractor's analysis shall consider at least:

- site, location and size;
- power source, usage, delivery paths, and redundancy;
- communications and connectivity including internet service provider, availability of bandwidth, and redundancy of connectivity;
- physical security and access;
- heating, ventilation, air conditioning, and climate control;
- fire suppression systems;
- redundancy requirements;
- compartmentalization requirements;
- worst scenario fault tolerance;
- testing schedule and metrics;
- recovery point objective (RPO); and
- recovery time objective (RTO).

*3.2: Operational Model:* The Contractor shall develop the operational model for the Project. The Contractor's recommendations shall include, at least:

- recommended Tier Classification (based on the Seven Tears of Disaster Recovery) of the Project;
- establishment of authority to manage and operate the Project;
- recommendations on how to develop agreements and terms of use for the use of the Project; and
- recommendations on how to develop service level agreements (SLA) and corresponding availability metrics.

*3.3: Business Model:* The Contractor shall develop the business model for the Project. The Contractor's recommendations shall include, at least:

- implementation options (e.g. third-party service provider, shared responsibilities among users, etc.)
- costs of implementation and operation;
- life-cycle cost of equipment;
- shared fee structure; and
- strategies for implementing and promoting the Project.

*Task 3 Deliverable:* The Contractor shall prepare a report of all work performed under Task 3. The Task 3 Deliverable shall be included in the Final Report.

#### **Task 4: Capacity Building Workshops**

*4.1: Capacity Building:* During the course of the TA, the Contractor shall provide at least 15 days of training to a total of at least 30 participants. The training venue shall be provided at the Grantee's cost. The Contractor shall coordinate with the Grantee and other Project stakeholders as defined in Task 1 above on appropriate training content. The Contractor shall provide all training participants with an agenda, workbooks, reference materials, and other handouts or presentation materials, as needed; conduct the training; and maintain training records, including the agenda, workbooks, reference materials, any handouts or presentation materials, a list of all training participants, and a description of the training provided. The Contractor shall determine the training topics based on input from the Grantee and other training participants. Possible training topics include, but are not limited to:

- Statement on Auditing Standards (SAS) 70 Type II;
- industry standard Tier Classification of data centers and DRCs;
- data archiving including data reduction, data compression and de-duplication;
- data and information security;
- shared hosting services; and
- cloud-based disaster recovery services.

*4.2: Additional Training Requirements:* Following the completion of the training, the Contractor shall assess the requirements for additional capacity building. The Contractor shall make recommendations on where such training can be provided, including training provided by equipment vendors through procurements related to the Project. The Contractor shall estimate the costs for the recommended additional training and recommend a long-term training program schedule for the Grantee. The Contractor's recommendations shall consider the Grantee's and other stakeholders' budgetary resources for such training. The training plan recommended by the Contractor shall be incorporated into the Implementation Plan in Task 10 below.

*Task 4 Deliverable:* The Contractor shall prepare a report of all work performed under Task 4. The Task 4 Deliverable shall be included in the Final Report.

#### **Task 5: Identification of U.S. Sources of Supply**

The Contractor shall conduct an assessment of available U.S. sources of supply for the Project. U.S. sources of supply shall include U.S. providers of the different categories of goods and services required for Project implementation, including full service design, building, and operating companies. For each source identified, the Contractor shall include: company name, point of contact, address, telephone, fax, e-mail, and relevant goods and services provided. The Contractor shall contact at least 20 potential U.S.

equipment, technology, and service providers for the Project, and compile a list of those companies that express interest in participating in the Project.

*Task 5 Deliverable:* The Contractor shall prepare a report of all work performed under Task 5. The Task 5 Deliverable shall be included in the Final Report.

#### **Task 6: Regulatory Requirements**

The Contractor shall perform a review of regulatory, policy and institutional issues related to the Project. The Contractor's analysis shall include, but not be limited to:

- terms of use, including rules and regulations for both provider and users of the Project;
- physical and information security;
- privacy issues; and
- auditing and benchmarking standards for disaster recovery facilities in Nigeria.

*Task 6 Deliverable:* The Contractor shall prepare a report of all work performed under Task 6. The Task 6 Deliverable shall be included in the Final Report.

#### **Task 7: Economic and Financial Analysis**

*7.1: Economic Analysis:* Based on the Contractor's implementation cost, operating cost, and equipment life-cycle cost estimates in Task 3.3 above, the Contractor shall perform an economic cost benefit analysis of the Project, including an analysis of competing alternative methods of achieving the Project objectives.

*7.2: Financial Analysis:* The Contractor shall perform a financial analysis of the Project, including internal rate of return and return on investment, and make recommendations regarding financing options. The Contractor shall identify and contact potential sources of financing to assess their level of interest in providing financing or guarantees to the Project including the U.S. Export-Import Bank and multilateral financing institutions.

*Task 7 Deliverable:* The Contractor shall prepare a report of all work performed under Task 7. The Task 7 Deliverable shall be included in the Final Report.

#### **Task 8: Developmental Impact Analysis**

The Contractor shall provide an assessment of the anticipated development impacts of the Project. The Contractor shall focus on the Project's anticipated outcomes if the Project is implemented according to the TA recommendations. The Contractor's analysis shall be as concrete and detailed as possible. The Contractor shall provide estimates of the Project's potential benefits in the following areas:

- *Infrastructure:* The Contractor shall identify the anticipated infrastructure developments which will occur as a result of the Project.

- *Human Capacity Building:* The Contractor shall identify the anticipated number and types of local jobs that will be created as a result of the Project. The Contractor shall also identify the number of local people who would receive training and the types of training programs required for the Project. The Contractor shall not include training performed under these Terms of Reference in the development impact assessment.
- *Technology Transfer and Productivity Enhancement:* The Contractor shall provide a description of any advanced technologies that would be utilized as a result of the Project, especially any technologies which would be new to the Nigerian market. The Contractor shall identify anticipated efficiencies that would be gained as a result of the Project.
- *Market Oriented Reform:* The Contractor shall provide a description of any regulations, laws, or institutional changes that are recommended pursuant to this TA and the effect they would have if implemented.
- *Other:* The Contractor shall describe any other developmental impacts or benefits that would result from the Project (e.g. reduced transaction costs, more reliable and secure electronic banking, increased penetration of the formal financial sector in Nigeria, etc.).

*Task 8 Deliverable:* The Contractor shall prepare a report of all work performed under Task 8. The Task 8 Deliverable shall be included in the Final Report.

#### **Task 9: Preliminary Environmental Impact Analysis**

The Contractor shall conduct a preliminary review of the Project's anticipated impact on the environment. The Contractor's assessment shall make reference to local requirements and those of multilateral lending agencies such as the World Bank. The Contractor's assessment shall identify potential negative impacts on the environment, discuss the extent to which they can be mitigated, and develop plans for a full environmental impact assessment if and when the Project moves forward to the implementation stage. The Contractor shall outline the steps that will need to be undertaken by the Grantee subsequent to the TA's completion and prior to Project implementation. The Contractor's assessment shall also identify potential positive environmental impacts of the Project, such as the reduction in power requirements and emissions of pollutants from diesel generators, which are currently being used to power existing DRCs.

*Task 9 Deliverable:* The Contractor shall prepare a report of all work performed under Task 9. The Task 9 Deliverable shall be included in the Final Report.

#### **Task 10: Final Workshop and Implementation Plan**

*10.1: Final Workshop:* The Contractor shall hold a workshop to present the Contractor's findings from Tasks 1-9 above to the Grantee and other Project stakeholders as defined in Task 1 above. The purpose of the workshop shall be to solicit input from the Grantee and Project stakeholders and achieve consensus on the implementation of the Project. The workshop venue shall be provided at the Grantee's cost. The Contractor shall provide all workshop participants with an agenda, workbooks, reference materials, and other handouts or presentation materials, as needed; conduct the training; and maintain training records, including the agenda, workbooks, reference materials, any handouts or presentation materials, a list of all workshop participants, and a description of the workshop.

*10.2: Implementation Plan:* Based on the Contractor's findings in Tasks 1-9 above, and on the input received from the Grantee and Project stakeholders in Task 10.1 above, the Contractor shall develop a detailed implementation plan for the Project. The Contractor's recommendations shall include, at least:

- implementation timeline;
- development of plans for staffing;
- training requirements, as determined in Task 4.2 above; and
- maintenance plan for the Project.

*10.3: Tender Documents:* The Contractor shall prepare draft technical sections of the tender documents and tender evaluation criteria for the Project. The tender documents shall be intended for the Grantee's and Project stakeholders' use in implementing the Project. The Contractor shall not be expected to evaluate bids on behalf of the Grantee or Project stakeholders.

*10.4: Executive Summary:* The Contractor shall produce an executive summary of the TA's final recommendations which shall be appropriate for presentation to prospective investors, operators, and financiers.

*Task 10 Deliverable:* The Contractor shall prepare a report of all work performed under Task 10. The Task 10 Deliverable shall be included in the Final Report.

### **Task 11: Final Report**

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

**ANNEX 6**



6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).
  
7. Project Manager's name, address, telephone number, e-mail address and fax number .

**B. Offeror's Authorized Negotiator**

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

**C. Negotiation Prerequisites**

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Technical Assistance as proposed and reflect such impact within the project schedule.
  
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

**D. Offeror's Representations**

Please provide exceptions and/or explanations in the event that any of the following representations cannot be made:

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_ . The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Technical Assistance. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.

2. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of \_\_\_\_\_. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
4. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
6. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee.

Signed: \_\_\_\_\_  
(Authorized Representative)

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

Title: \_\_\_\_\_

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



3. Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

Signed: \_\_\_\_\_  
(Authorized Representative)

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

Title: \_\_\_\_\_

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