



# **THE GOVERNMENT OF THE BAHAMAS**

## **REQUEST FOR PROPOSAL**

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**TAX INFORMATION REPORTING SYSTEM  
US Foreign Account Tax Compliance Act  
Common Reporting Standard –  
Automatic Exchange of Information**

**Ministry of Finance  
Issue Date: June 26, 2017**



## Table of Contents

1) Introduction and Background .....	3
2) Requirements for Tax Information Exchange Application .....	3
a) Specific Functional Requirements .....	3
b) Support Requirements .....	4
c) User Acceptance Testing Limitations .....	4
d) Delivery Schedule .....	5
e) Operational Environment .....	5
3) Content of Responses to this RFP .....	5
4) Statement of Work and Deliverables .....	6
5) Administrative Information .....	7
a) Designated Contact Person .....	7
b) Proposal Delivery Office .....	7
c) Closing Time .....	8
d) Amendments .....	8
6) General Terms & Conditions .....	8
a) Vendor Responsibility .....	8
b) Negotiations .....	8
c) Other Terms and Conditions .....	9
7) General RFP Stipulations .....	9
a) Disclosure of RFP Content .....	9
b) Respondent's Responsibility .....	10
c) Waiver of Minor Irregularities .....	10
d) Incurred Expenses .....	10
e) Presentations by Respondents .....	10
f) Responsibility to Respondent's Personnel .....	11
g) Ownership of Intellectual Property .....	131
h) Ownership of Source Code .....	11
i) Title to Software .....	12
8) Evaluation Factors for Award .....	12
9) Chain of Command .....	13



## 1) Introduction and Background

The Ministry of Finance wishes to implement a comprehensive integrated application to manage both the United States of America's Foreign Account Tax Compliance Act (FATCA) and the Organisation for Economic Co-operation and Development's (OECD) Common Reporting Standard for Automatic Exchange of Information (CRS - AEOI).

In order to achieve FATCA compliance, the Commonwealth of The Bahamas entered into a Model 1 Inter-Governmental Agreement (IGA) with the USA. Through the IGA and enabling legislation, Foreign Financial Institutions (FFI's) incorporated in The Bahamas are required to report specified information with respect to US account holders to the Competent Authority (CA) in a standardized electronic format established by the IRS. The Competent Authority then transmits that information to the IRS.

Following the establishment of US FATCA, the OECD created a standard for automatic exchange of financial account information in tax matters to establish a global standard for the automatic exchange of information. The scale of CRS is much greater than FATCA and it extends to any customer who is tax resident in a "reportable jurisdiction". The Common Transmission System (CTS) platform was created to facilitate the exchange of tax information between Competent Authorities (CAs) around the world, securely and efficiently. Bahamas registered financial institutions (FIs) will submit specified information in the required format to the Bahamas CA which will in turn connect to the CTS to exchange that information in a secure way with the relevant CA through the CTS.

The main objective of the engagement is to provide the interface (the "Portal") between i) the Competent Authority and industry and ii) the Competent Authority and the respective foreign tax authorities through the International Data Exchange Service ("IDES") and the CTS to enable The Bahamas to meet its reporting obligations under FATCA and CRS in a timely, secure and efficient manner.

The Portal is expected to be a fully automated solution that allows users to upload the information with respect to the reporting regimes outlined above and the Competent Authority to forward that information to the relevant authority with no manual input on its part i.e. the Portal is expected to be a push-button solution for The Bahamas CA.

## 2) Requirements for Tax Information Exchange Application

### a) Specific Functional Requirements

The application must:

- i) Conform fully to the functional, data element and data submission requirements for both the International Data Exchange System (IDES US-FATCA) and Common Transmission System (CTS OECD-CRS);
- ii) Manage both the FATCA and the CRS submissions in a transparent and uniform manner;
- iii) Automatically generate valid output xml files for FATCA and CRS submissions (taking into account differences in information submission requirements);
- iv) Automatically create a valid submission package (zip file) for both FATCA and CRS taking into account any differences in submission standards. It is anticipated



that the package creation will be integrated with the output xml file generation (i.e. one step process);

- v) Allow for the automatic submission of data packages via SFTP (push);
- vi) Allow for the automatic download of data packages via SFTP (pull);
- vii) Automatically unpack, decrypt and store inbound messages from both FATCA and CRS. Vendors must explain how information is stored and who has access to the information, particularly related to error messages received and presented to the CA for review;
- viii) Automatically identify and manage prohibited and reserved characters for both FATCA and CRS. Identification of how the prohibited characters are managed will be required (e.g. alert at data entry, automatic correction to acceptable format, etc.);
- ix) Allow FIs to register online for both FATCA and CRS;
- x) Allow FIs to submit information both via online data entry via HTTPS and file submission using SFTP;
- xi) Insertion and maintenance of CA private key and IRS & OECD public keys;
- xii) Secure access and role based application controls.

## b) Support Requirements

The following will be the minimum support requirements for the application:

- i) Provide for on-site “Go-live Support” for a period no less than 4 weeks;
- ii) Provide for system backup and recovery procedures. Guidelines should be fully documented, implemented and tested;
- iii) Software application patch updates (bug fixes, security patches, etc.);
- iv) Modifications to the application based on changes emanating from USA IRS (FATCA) or OECD (CRS). These changes can cover:
  - (1) data element requirements,
  - (2) XML formatting,
  - (3) Data package contents,
  - (4) Digital security methodology,
  - (5) Software code modifications required based on critical data base platform or operating system security updates,
  - (6) Validation of application support for latest DB platform and OS security patches.

The support requirements identified above are to be assumed for an initial 5 year period.

## c) User Acceptance Testing Limitations

- i) The Ministry of Finance (MoF) expects the off-the-shelf delivery of a complete integrated system as outlined in the section “specific functional requirements”. MoF does not have the resources to carry out detailed user acceptance testing (UAT) on new code bases;
- ii) MoF expects to conduct functional UAT testing only to provide confirmation that all functional requirements are present and correctly operational;



- iii) Detailed UAT testing will only be conducted on new or modified functions which have been requested by the MoF.

#### d) Delivery Schedule

- i) The Commonwealth of The Bahamas will meet its reporting obligations to FATCA in August 2017 using its existing application.
- ii) It is anticipated that Bahamas will conduct its first CRS exchanges in 2018. In order to meet this commitment the integrated application for FATCA and CRS will need to be in place by November 17, 2017. This will allow a reasonable period for FI registration and individual FI submission as well as testing of the CTS platform.

#### e) Operational Environment

- i) The international tax information sharing application (ITISA) will operate within the existing Bahamas government virtual cloud platform. The virtual cloud operates under VMware;
- ii) The government cloud allows for Microsoft and Linux OS environments;
- iii) The database environment allows for Microsoft SQL and Oracle<sup>1</sup>

### 3) Content of Responses to this RFP

Suppliers responding to this tender should ensure that their response contains the following information:

- a) A complete functional description of the application from FI registration and submission of financial data to creation of the xml output file and data package submission;
- b) An identification of process flows and how they are reflected in the application;
- c) A detailed specification of hardware (VM environment) and software requirements:
  - i) Hardware : CPU (incl. type i5, i7, etc. and speed), RAM and storage,
  - ii) Software : identification of all 3<sup>rd</sup> party software to be deployed, including versions (e.g. linux, Windows server 2014, Oracle enterprise, Microsoft standard, etc.);
- d) A detailed identification of 3<sup>rd</sup> party license requirements. This should include, where applicable, number of CPU cores required;
- e) A system delivery schedule;
- f) Documented assumptions and perceived project risks from the vendor point of view;
- g) A detailed maintenance and support proposal based on an initial 5 year contract; This should include a service level agreement (SLA) proposal for each of the components identified;
- h) Presentation of a training plan for all user types;
- i) A detailed price proposal which will cover the following:
  - i) Price of application license (incl. identification of any “user” licenses),
  - ii) Price of any specific 3<sup>rd</sup> party software license being proposed and purchased by the vendor,

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<sup>1</sup> Given the Oracle licensing structure in a VM environment the cost of additional Oracle licensing above that of the existing Oracle VM cluster will be taken into consideration.



- iii) Estimate of any 3<sup>rd</sup> party licenses required for the application but to be purchased by MoF,
- iv) Project implementation costs:
  - (1) Projected HR costs (lump sum)<sup>2</sup>
  - (2) Travel/living expenses (lump sum)
  - (3) Training (lump sum)
- v) Customization costs:
  - (1) Project manager daily rate
  - (2) Developer daily rate
  - (3) Business analyst daily rate
- vi) Maintenance and support costs should be presented as monthly or quarterly fees. A clear identification of what is covered by this cost should be presented (e.g. hours of support, times of support, on-site or remote, etc.);
- j) Biographies and relevant experience of key staff and management personnel. List of personnel who will work on this project along with their qualifications and relevant experience as well as affirmation that no employees working on the engagement have ever been convicted of a criminal offence either inside or outside the Commonwealth of The Bahamas;
- k) Company overview including:
  - i) Official registered name of company, business address, main telephone number, toll-free numbers, facsimile numbers, e-mail address and website URL,
  - ii) Key contact name, title, address (if different from the above address), direct telephone, fax numbers, e-mail address,
  - iii) Name of person authorized to contractually bind the organization for any proposal against this RFP,
  - iv) Brief history, including year established and number of years the company has been offering database/case management and document software and support services,
  - v) Organization size and structure, and annual turnover rate of staff;
- l) At least one and no more than 3 reference sites for which you have implemented the solution as well as three corporate references, including company name, contact name, title, address, telephone number, e-mail and client relationship synopsis.

Vendors shall respond and document the extent to which they can meet the specific requirements or desirable features for the RFP. It is to the vendor's advantage to provide responses in enough detail that will allow the evaluators to determine how well the proposed product satisfies the requirements.

#### 4) Statement of Work and Deliverables

##### a) Purpose

The purpose is to implement a system for the 2018 reporting year based on functional requirements as outlined in the table below.

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<sup>2</sup> This cost would represent the maximum budget to be allocated. Any additional costs would have to be agreed in advance with MoF.



Functional Requirements	Date
1. An inception report with a detailed work plan and project management methodology	July 24, 2017
2. A report on an approach to develop a FATCA and CRS-AEOI electronic reporting system, including: a) Cataloguing of all relevant types of entities to be reported under FATCA b) Registration of all relevant reporting entities	July 24, 2017
3. A systems specification and training manual	
4. An implementation/roll out plan for the reporting system	
5. The completed and functional FATCA and CRS-AEOI electronic reporting system	November 17, 2017

## 5) Administrative Information

### a) Designated Contact Person

The Designated Contact Person for this RFP is:

Catherine Gibson  
Ministry of Finance  
Cecil Wallace-Whitfield Centre  
West Bay Street  
P.O. Box N3017  
Nassau, The Bahamas

Email: [catherinegibson@bahamas.gov.bs](mailto:catherinegibson@bahamas.gov.bs)

### b) Proposal Delivery Office

For the purpose of this Competitive Selection Process, delivery of Proposals may be made electronically to the Designated Contact Person at the email address provided below. Vendors are also requested to deliver four sealed hard copies of the proposal to the following address:

Chairman  
Tenders Board  
Cecil Wallace-Whitfield Centre  
West Bay Street  
P.O. Box N3017  
Nassau, The Bahamas



Attention: Simon Wilson  
Financial Secretary

Labelled: - RFP – Ministry of Finance, FATCA CRS-AEOI Reporting System

E-mail to the Designated Contact Person at [catherinegibson@bahamas.gov.bs](mailto:catherinegibson@bahamas.gov.bs)

### c) Closing Time

Proposals must be received electronically and in hard copy before 4:00p.m. local time (Daylight Savings Time) on July 24 2017 (the “Closing Time”).

The Designated Contact Person will send a confirming email following receipt of an electronically submitted Proposal. If such confirmation is not received the onus is on the Vendor to re-submit the Proposal, and to follow up for confirmation.

Late proposals will not be accepted and will be returned to the Vendor unopened.

**Note:** Please ensure that if a third party carrier (Federal Express, UPS, DHL, etc.) is used, they are properly instructed to deliver your proposal to the location specified above.

### d) Amendments

At any time prior to the close of the RFP, the Ministry of Finance may alter, amend, delete or add to, in whole or in part, any terms or provisions of this RFP. The Ministry of Finance will publish any such modification or amendment, revision or addendum in writing to all vendors by hard copy or e-mail.

## 6) General Terms and Conditions

### a) Vendor Responsibility

It is the vendor’s responsibility to ensure his/her complete comprehension of the requirements and the instructions vis-à-vis products/services/equipment requested by the Ministry of Finance. To clarify any discrepancies, it is required that vendors submit their inquiry in writing (as specified above).

### b) Negotiations

The Ministry of Finance reserves the right to enter into discussions or negotiate with a vendor as it deems essential, or with another vendor or vendors concurrently. In no event will the Ministry of Finance be required to enter into discussions or negotiations on similar or other terms or offer any modified terms to any other vendor prior to entering into a bidding contract. The Ministry of Finance shall incur





no liability to any vendor as a result of these discussions, negotiations or modifications.

### c) Other Terms and Conditions

- i) The Ministry of Finance reserves the right to accept or reject any or all bids;
- ii) All proposals will be considered final. No additions, deletions, corrections or adjustments will be accepted after the time stated for submission has expired;
- iii) The Ministry of Finance shall not purchase goods or services from any business owing taxes to the Government of the Commonwealth of The Bahamas;
- iv) Proposals received after the designated time of receipt will be considered as “NO BID” and “VOID”. The time stamp for proposals submitted will be calculated based on that of the Ministry of Finance. It is the vendor’s responsibility to allow sufficient time for delivery and submission to the designated place;
- v) The accepted Vendor must provide a minimum of five(5) years on-site service, including parts (if applicable) and labour, with a two(2) hour response during normal working hours – 9:00am to 5:00pm. In case of an emergency, vendors must be able to respond to an on-site request within a time period deemed reasonable by the Ministry of Finance;
- vi) Vendors responding to this proposal will be required to demonstrate quality assurance in their installation, repair/maintenance and service procedures;
- vii) Vendors must disclose and include as part of their proposal, all costs, products and services required for the complete solution with such costs including any and all third party vendors.

## 7) General RFP Stipulations

### a) Disclosure of RFP Content

- i) All submissions become the property of the Ministry of Finance and will not be returned to the vendor. All conditions contained in the RFP are considered accepted by the vendor along with any information submitted. All information submitted with the RFP, and the RFP will be handled with the strictest degree of confidentiality;
- ii) If a vendor submits trade secret information, the information must be segregated and each pertinent page must be clearly labelled “trade secret”. The Ministry of Finance will maintain the confidentiality of such trade secrets to the extent provided by the laws of the Commonwealth of The Bahamas;
- iii) Financial Statements will be exempt from examination by anyone other than legally authorized personnel of the Ministry of Finance and designated Government employees. The Ministry of Finance will maintain the confidentiality of such financial statements to the extent provided by the laws of the Commonwealth of The Bahamas.



## b) Respondent's Responsibility

The Respondent, by submitting a proposal represents that:

- i) The respondent has read and understood the RFP in its entirety and the proposal is made in accordance herewith;
- ii) The respondent possesses the capabilities, resources, and personnel necessary to provide efficient and successful service to The Ministry of Finance;
- iii) Before submitting a proposal, each respondent shall make all investigations and examinations necessary to ascertain site and/or local conditions and requirements affecting the full performance of the contract and to verify any representations made by the Ministry of Finance, upon which the respondent will rely. If the respondent receives an award because of its proposal submission, failure to have made such investigations and examinations will in no way relieve the respondent of its obligations to comply in every detail with all provisions and requirements of the contract, nor will a plea of ignorance of such conditions and requirements be accepted as a basis for any claim by the respondent for additional compensation or relief.

## c) Waiver of Minor Irregularities

The Ministry of Finance reserves the right to waive minor irregularities in proposals, providing such action is in the best interest of the Ministry of Finance. Minor irregularities are defined as those that have no adverse effect on the Ministry of Finance's best interests, and will not affect the outcome of the selection process by giving the respondent an advantage or benefit not enjoyed by other respondents.

## d) Incurred Expenses

This RFP does not commit the Ministry of Finance to award a contract nor shall the Ministry of Finance be responsible for any cost or expense which may be incurred by the respondent in preparing and submitting the proposal called for in this RFP, or any cost or expense incurred by the respondent prior to the execution of a contract agreement.

## e) Presentations by Respondents

- i) The Ministry of Finance, will require Respondents to make a presentation and / or demonstrate the reporting solution. All costs incurred by the vendor to conduct the presentation and/or demonstration are the responsibility of the vendor. Additionally, any requests for clarification, if required, will be issued in writing and written responses from the Vendor will become an integral part of the vendor's response.
- ii) By submitting a proposal, the vendor certifies that the specified product/equipment/service is in productive use and capable of demonstration in the proposed configuration. In the case of a custom developed product, the vendor certifies that a comparable solution is in productive use and capable of demonstration in the proposed configuration. The Ministry of Finance reserves the right to require Vendors to demonstrate the functionality of the proposed product/solution to its satisfaction prior to making an award decision. The



demonstration is intended to show that the Vendor's proposed products/solutions will perform in a completely satisfactory manner, and that they will meet or exceed the performance specifications contained in the RFP. Failure by any vendor to promptly comply with a request for demonstration could result in their proposal being rejected. Failure to reject shall not relieve the Vendor, if awarded a contract, of its obligation to fully comply with all requirements of the contract.

- iii) The Ministry of Finance reserves the right to require any respondent to demonstrate to the satisfaction of the Ministry of Finance that the respondent has the fiscal and managerial abilities to properly furnish the products and/or services proposed and required to fulfil the contract. The demonstration must satisfy the Ministry of Finance, and the Evaluation Committee, shall be the sole judge of compliance.

#### f) Responsibility to Respondent's Personnel

- i) The respondent shall be responsible for ensuring that its employees, agents and subcontractors comply with all applicable laws and regulations and meet all governmental and local requirements related to their employment and position. The respondent certifies that it does not and will not during the performance of any proposed contract violate any **Immigration Regulations** set forth by the provisions of the **Immigration Act of 1986**, as amended.
- ii) During the performance of the contract, the respondent agrees to the following:
  - (1) The respondent shall not discriminate against any employee or applicant for employment because of race, religion, colour, sex, age, handicap or national origin, except when such condition is a bona fide occupational qualification reasonably necessary for the normal operations of the respondent;
  - (2) The respondent shall include the provisions of the foregoing paragraphs;
  - (3) above in every subcontract or purchase order so that the provisions will be binding upon each respondent or vendor;
  - (4) The respondent and any subcontractor shall pay all employees working on the contract not less than minimum wage specified in the **Employment Act** as amended;
  - (5) Any information concerning the Ministry of Finance's services, operations, personnel, policies or any other aspect of its business, unless it is deemed public information, learned by the respondent or personnel furnished by the respondent in the course of providing services pursuant to this RFP, shall be held in the strictest of **confidence** and shall not be disclosed by the respondent or any employee or agents of the respondent or personnel furnished by the respondent, without the prior **written** consent of the Financial Secretary of the Ministry of Finance. The respondent and any subcontractors will be required to sign confidentiality statements prior to submitting a proposal.

#### g) Ownership of Intellectual Property

All copyright and patent rights to all papers, documents, reports, forms, materials, creations or inventions created or developed in the performance of this contract shall become the sole property of the Ministry of Finance. Upon request, the



vendor shall promptly provide an acknowledgement or assignment in a tangible form satisfactory to the Ministry of Finance to evidence the Ministry of Finance's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.

#### **h) Ownership of Source Code**

In the event the vendor ceases to maintain experienced staff and the resources needed to provide required software maintenance, the Ministry of Finance shall be entitled to have, use and duplicate for its own use, a copy of the source code and associated documentation for the software products covered by this RFP. Until such time as a complete copy of such material is provided, the Ministry of Finance shall have exclusive rights to possess all physical embodiments of such vendor owned materials. The rights of the Ministry of Finance in this respect shall survive for a period of twenty (20) years after the expiration or termination of the contract. All lease and royalty fees necessary to support this right are included in the initial license fee as contained in the pricing schedule. *Vendor shall indicate in the submission whether the firm is willing to enter into a Software Escrow Agreement.*

#### **i) Title To Software**

By submitting a proposal, the respondent represents and warrants that it is the sole owner of the software or, if not the owner, that it has received all legally required authorizations from the owner to license the software, has the full power to grant the rights required by this solicitation, and that neither the software nor its use in accordance with the proposed contract will violate or infringe upon any patent, copyright, trade secret, or any other property rights of another person or organization.

### **8) Evaluation Factors For Award**

Any award to be made pursuant to this RFP will be based upon the proposal with appropriate consideration given to operational, technical, cost and management requirements. Evaluation of offers will be based upon the Vendor's responsiveness to the RFP and the price quoted for all items covered by the RFP.

The following elements will be the primary considerations in evaluating all submitted proposals and in the selection of a Vendor or Vendors:

- i) Completion of all required responses in the correct format;
- ii) The extent to which Vendor's proposed solution fulfils Ministry of Finance's stated requirements as set out in this RFP;
- iii) An assessment of the Vendor's ability to deliver the indicated service in accordance with the specifications set out in this RFP. Scalability of product solution should also be included;
- iv) The Vendor's stability, experiences and record of past performance in delivering such services;
- v) Availability of sufficient high quality Vendor personnel with the required skills and experience for the specific approach proposed;



The following elements will be the primary considerations in evaluating all submitted proposals and in the selection of a Service Provider or Service Providers:

- i) Completion of all required responses in the correct format;
- ii) The extent to which Respondent's proposed solution fulfils Ministry of Finance's stated requirements as set out in this RFP;
- iii) An assessment of the Respondent's ability to deliver the indicated service in accordance with the specifications set out in this RFP;
- iv) The Respondent's stability, experiences and record of past performance in delivering such services;
- v) Availability of sufficient high quality personnel with the required skills and experience for the specific approach proposed;
- vi) Respondent's acceptance of Ministry of Finance's contractual terms and conditions;
- vii) Overall cost of Respondent's proposal.

There will be no award if the Respondent has any violations or past due debt with the Government of The Bahamas.

The Ministry of Finance may, at its discretion and without explanation to the Respondent, at any time choose to discontinue this RFP without obligation to such Respondent.

## 7) Chain of Command

The project is owned by the Ministry of Finance whose daily operations are supervised by the Financial Secretary. A project Management Committee exists for oversight of the project. Final decisions must be approved by the Financial Secretary and Minister of Finance. Matters with financial or policy implications may have to be referred to the Cabinet.

Simon Wilson  
Financial Secretary, Ministry of Finance

26/6/17  
Date

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