



# Request for Proposal

## Consultancy Services to Conduct an Assessment on Retail Payments Ecosystem in the Solomon Islands

Data	Specific Instructions / Requirements
RFP Issuance Date	03 March 2023
Proposal Submission Deadline	17 March 2023 (2 Weeks from Issuance date)
Notification of Award Decision	31 March 2023 (Within 2 Weeks of submission deadline)

<p><b>Central Bank of Solomon Islands (CBSI) Contact Details</b> (submitting questions &amp; proposal)</p>	<p>Questions: Chief Manager National Payments System Department: <a href="mailto:धारिदि@cbsi.com.sb">धारिदि@cbsi.com.sb</a></p> <p>Proposal: Secretary to Board through E-mail: <a href="mailto:smarahare@cbsi.com.sb">smarahare@cbsi.com.sb</a></p>
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## **PART 1: PROPOSAL PROCEDURES**

### **Section 1: Instructions to Consultants:**

Preparation of Proposals: You are requested to submit separate technical and financial proposals, as detailed below. The standard forms in this Request for Proposal may be retyped for completion but the Consultant is responsible for their accurate reproduction.

#### **Preparation of Technical Proposals:**

The technical proposals of consulting firms should contain the following;

- I. A brief methodology for performing the services;
- II. A detailed work plan, showing start date and completion date (showing key milestones) the inputs of all key staff and achievement of deliverables;
- III. Copies of previous contracts of similar projects and reference letters from clients;
- IV. CV's of key staff;
- V. A summary of your experience in similar assignments; and
- VI. The documents evidencing your eligibility, as listed below.

The technical proposals for individual consultants should contain the following:

- I. A brief (not more than 1.5 pages) capability statement that should cover your experience and expertise in the context of conducting both qualitative and quantitative research, surveys and your ability to perform the tasks listed in the Terms of Reference (TOR). Details of the TOR are available in Part 2 of this RFP.
- II. A Curriculum Vitae (CV);
- III. Please ensure that you list three references, with their names, designations, phone and email addresses at the end of your CV. CBSI may choose to contact the references of the winning bidder;
- IV. A brief methodology for performing the services;
- V. The consultant's comments or suggestions on the TORs and appreciation of the assignment – the objectives, tasks and deliverables if any;

The Consultant must comply with the following desired qualifications and qualities:

The lead consultant must have working knowledge in the field of financial inclusion of not less than 3 years and working knowledge in payments of not less than 5 years. In addition, the consultant must demonstrate the following;

- a. Understanding of the financial sector, especially digital financial services in Solomon Islands.

- b. Understandings of MSME operations, credit needs in emerging markets.
- c. Understanding of various partnership models (e.g. FMCG / other types of merchant acquisition partnership models).
- d. Understanding of and demonstrated quality control measures during data Collection.

Please attach copies of, or insert links within your CV, to articles, blogs, or any publication that you have authored or co-authored as part of your technical proposal; Signed technical Proposal Submission Sheet; and a detailed work plan, showing start date and completion date (showing key milestones) the inputs of all key staff and achievement of deliverables;

**Preparation of Financial Proposals:**

Financial proposals should contain the following documents and information:

- I. The Financial Proposal Submission Sheet; and
- II. A copy of the breakdown of Lump Sum Price form in this Part for each currency of your proposal, showing all costs for the assignment, broken down into fees and reimbursable and miscellaneous costs;

**Validity of Proposals:** Proposals must remain valid until 31st December, 2023.

**Sealing and marking of Proposals:** The technical and financial proposals should be sealed clearly marked with the Procurement Reference Number above, the Consultant’s name, CBSI and either “Technical Proposal” or “Financial Proposal” as appropriate.

**Submission of Proposals:** Proposals should be submitted electronically to ‘Secretary to Board’ at the email address; [smarahare@cbsi.com.sb](mailto:smarahare@cbsi.com.sb) no later than the date and time of the deadline. Any proposal received by CBSI after the deadline for submission of proposals shall be declared late and rejected. The financial proposal should be password protected in case the consultant is submitting electronically.

**Evaluation of Proposals:** The Quality Based evaluation methodology in the evaluation of the Proposals as detailed below:

- I. Preliminary examination to determine eligibility (as defined below) and administrative compliance to this Request for Proposal on a pass/fail basis;
- II. Detailed Technical evaluation with a pass mark of 70%;
- III. Financial negotiations with the bidder with the highest technical score.

**Eligibility Criteria:** You are required to meet the following criteria to be eligible to participate in the procurement exercise:

- I. Have the legal capacity to enter into a contract;
- II. Not be insolvent, in receivership, bankrupt or being wound up or subject to legal proceedings for any of these circumstances;

- III. Not have had your business activities suspended;
- IV. Have fulfilled your obligations to pay taxes and social security contributions;
- V. Have the nationality of an eligible country;
- VI. Not to have a conflict of interest in relation to this procurement requirement; and
- VII. Not have a conflict of interest in relation to this procurement project.

**Preliminary Examination (For Consulting Firms only):** You are required to meet the following criteria to be eligible to participate in the procurement exercise:

- I. Certificate of Incorporation;
- II. A copy of the Bidder’s current Trading License (2023) or equivalent and a copy of the Bidder’s Certificate of Registration;
- III. Signed Technical proposal Submission Sheet; and

**Preliminary Examination (For Individual Consultants only):** Individual Consultants are requested to submit copies of the following documents as evidence of their eligibility and sign the declaration in the Technical Proposal Submission Sheet.

**Please note;** in case the documents listed above are not available before submission deadline of the RFP, please indicate the ones you are in the process of acquiring and submitting. However, they should be submitted not later than 5 working days after the submission deadline.

**Technical Criteria:** Proposals shall be awarded scores out of the maximum number of points as indicated in below.

<b>Evaluation Criteria</b>	<b>Marks</b>
<b>Significance experience (consultancy firm or individual consultant)</b>	
Specific experience of the consultant in assignments/positions similar to the assignment. Both the consultancy firm and Individual consultant must have a track record and in-depth knowledge conducting both qualitative and quantitative research, surveys. In-depth understanding of the Solomon Islands’ Financial Sector is highly important and very relevant. The consultancy firm/individual consultant shall have to attach at least three reference/recommendation letters of assignments successfully completed within the last 5 years. In case of an individual consultant, list three references, with their names, designations, phone and email addresses at the end of your CV where such similar assignments have been performed.	20
<b>Subtotal</b>	<b>20</b>
<b>Team Composition</b>	
Adequacy of Lead consultant	
General qualifications A bachelors’ degree in either Business, Finance, Economics and/or any related subject.	4
Suitability for the assignment: The lead consultant must have working knowledge in the field of financial inclusion of not less than 3 years and working	36

knowledge of payments of not less than 5 years. In addition the consultant must demonstrate the following;	
I. Understanding of and demonstrated quality control measures during data collection	
II. Understanding of operations of retail payments from the context and perspectives of emerging markets	
III. Understanding of operations of merchant payments from the context and perspectives of emerging markets	
IV. Understanding of various business models of merchant payments	
<b>Subtotal For the Team Composition</b>	<b>40</b>
<b>Adequacy of Methodology &amp; Work plan</b>	
Technical Approach and methodology (demonstration of clear understanding of TORs and how to go about the assignment and deliver the key milestones)	25
Adequacy of the Work plan With clear timelines. Ability to meet deadlines and flexibility in meeting clients' needs should be demonstrated.	10
Organization and staffing (is staff tasked to do what they are best suited for?).In addition the consultant must demonstrate ability to transfer knowledge.	5
<b>Subtotal</b>	<b>40</b>
<b>Grand Total</b>	<b>100</b>

#### Financial Criteria:

**Pricing information** should not appear in any other section of the proposal other than the financial proposal.

**Currency:** Proposals may be priced in USD. The currency of evaluation will be USD. Proposals in other currencies will be converted to this currency for evaluation purposes, using the exchange rates published by the Central Bank of Solomon Islands on the date of the submission deadline.

**Best Evaluated Bid:** The best evaluated bid shall be the firm with the highest technical score and shall be recommended for negotiations.

## PART 2: BACKGROUND & INTRODUCTION

The National Payment Systems Act for Solomon Islands was approved by Parliament in June 2022. The act aims to promote the safety and efficiency of payment systems in Solomon Islands, with a view to fostering financial sector stability and economic growth.

The National Payment System (NPS) consists of the institutions, instruments, procedures and technology used to regulate and facilitate the circulation of money within Solomon Islands and internationally. The NPS is an essential part of the financial infrastructure, the use of electronic payment systems in Solomon Islands is to set increase over the next years especially with the entry of new financial service providers, which will enable more people to gain access to financial

services. The ability to make payments easily and safely is important in ensuring the smooth and timely flow of goods and services throughout the economy. To that end, it is pertinent to ensure that payment systems operate in a secure, efficient and regulated manner.

A safe and efficient payment system helps to maintain financial stability by preventing or containing systemic risks. In view of this, payment systems are being placed in the central banks' core functions so as to contribute to financial stability, support open market operations as a monetary policy transmission mechanism, and to maintain confidence in the national monetary unit – in terms of its value (monetary policy) and circulation (payment systems). The central bank set up a regulatory sand box, through which financial/payment service providers get to test their services before launching them in the market.

Only 25.6% of the population has a formal bank account, and another 8.2% use other formal financial services, such as insurance, superannuation funds (including SINPF), credit unions or microfinance services. Solomon Islands has only 14 bank branches, concentrated mainly in the urban locations. The remaining **two-thirds of the population relies exclusively on informal financial services** only (34.8%), **or altogether excluded from financial services entirely** (31.4%). While some financial institutions have labored to deploy POS and QR retail payment solutions for their customers, these are mainly in the CBD with up to 70% of the retail financial services infrastructure focused in Honiara.

## **2.0 The problem**

Whereas the deployments in the retail payment market above and market entry of new E-wallets demonstrate a fair trajectory, such retail payment solutions have remained largely underutilized by customers. Reasons for low uptake is attributable to ecosystem constraints, Access, high cost and industry players' lack of sufficient knowledge of the market.

As a response to the above problem, CBSI intends to support in building the National Payment infrastructure through platforms like the ATS, regulatory sand box where innovators get to test their solutions, etc. In order to do so, it is essential to understand the retail payment ecosystem (i.e. P2G, G2P, P2P, P2B, B2P, Remittances etc.), as well as factors that influence retail payment activity. The starting point of intervention is to understand the retail payments ecosystem, and factors that drive or retard adoption of retail payments and merchant activity.

Consequently, CBSI in partnership with UNCDF intends to commission research on retail payments ecosystem in Solomon Islands. The research seeks to deepen understanding of retail payment landscape in Solomon Islands and also identify and recommend feasible interventions.

## **3.0 Objectives of the research**

The overall objective of the study is to enhance a comprehensive understanding of retail payments ecosystem, market size, customer preferences, and merchant motivations and thereafter assist market actors in defining compelling strategies and designing profitable and customer centric products for retail payments (digital retail payments). This research should

help ascertain which type of innovations / ideas (early stage, mid, and mature stages) exist in the market and how can CBSI's support be truly transformational.

The specific objectives of the research are to understand;

- The estimated opportunity size of retail payments in Solomon Islands across government and various MSME segments;
- Products available in the market, levels of success or failure of such products, as well as drivers of success or failure;
- Merchant acquisition and fulfilment partnerships, structures and revenue models;
- Merchant motivations;
- Business models for retail/merchant payments that exist in the market;
- Customer Payment instruments (cards, cash, mobile money), and channels;
- Retail/merchant payment acceptance channels, and the levels of interoperability in the market whilst highlighting existing gaps;
- Sectors or subsectors with detailed levels of uptake of digital merchant payments.
- Customer and merchant experiences and;
- Existing customer and merchant Value Added Service and Loyalty Models and their levels of success;
- Existing payment infrastructures and infrastructural gaps, and extent to which they are interoperable.

#### **4.0 Scope of the research**

The successful consultant/ consulting firm will be expected to perform the following tasks;

- Deep dive in the retail payment ecosystem in Solomon Islands
- Deep dive in the factors that influence/ motivate merchant activity.
- Deep dive in the factors that influence / motivate customer to use digital payments at MSMEs and Government level
- Sizing the market for retail payments.

#### **5.0 Key Deliverables**

The expected deliverables include;

- An In-depth report in word, that captures the state of retail payments in Solomon Islands, current business models, revenue and pricing structures, merchant and customer loyalty and VAS models currently in use.
- Recommendations of an interoperable payment infrastructure/solution(s) that can facilitate financial inclusion whilst reducing the cost of retail payments
- Business model in Excel format of the estimated opportunity size in Solomon Islands.

- Presentation to CBSI & UNCDF technical team and summary report on power point

### **6.0 Timeline, Resources and Payment**

The study is expected to be completed within 3-months of issuance of contract.

The contractor work will begin by **10 April 2023 until 30 June 2023.**

<b>Deliverables</b>	<b>Timeline</b>	<b>Payment %</b>
Contract signing	By 7 April 2023	30
Submission of proposed workplan	By 13 April 2023	
Acceptance of the proposed workplan	By 19 April 2023	
Information gathering through a combination of desk review and direct stakeholder interviews	By 31 May 2023	40
Submission of draft report & business model	By 9 June 2023	30
Feedback and Review	By 22 June	
Final Presentation & Submission of final report	By 30 June 2023	
		<b>100%</b>

### **7.0 Technical requirements of the consultant**

The Consultant should demonstrate substantial experience in conducting both qualitative and quantitative research, surveys and/or impact assessments in Solomon Islands. In-depth understanding of the Solomon Islands’ Financial Sector is highly important and very relevant.

Proposals of interested service providers should specifically refer to:

- The knowledge and experience of the consultant and any other team members in conducting research or surveys.
- Understanding of and demonstrated quality control measures during data collection
- Understandings operations of retail payments from the context and perspectives of/in emerging markets
- Understanding of various business models of retail/merchant payments.

NB: Bidders are welcome to comment or advise on how best the TOR can be modified to best achieve set objectives whilst submitting their work plans.

### **8.0 Confidentiality**

All information contained in this ToR is provided on a strictly confidential basis, solely for the use of bidders about a competition for the supply of services for the above assignment.

### **9.0 Submission of Proposal and Budget**

The contractor shall provide technical and financial proposals in two separate documents.



The Technical proposal shall describe the methodology and approach to achieve the objectives of the scope of work, including the team proposed. Detailed work plan (including number of days per activity). CVs of the proposed experts(s) should be in annex.

The Financial proposal must provide a detailed price breakdown. Provide separate figures for each functional grouping or category. The financial proposal to be inclusive of tax. The financial proposal must be password protected. The password will be requested from the contractor(s) scoring the minimum passing score in the technical evaluation.

The minimum passing score for the technical evaluation is 70.

Any estimates for reimbursable items, such as travel and out-of-pocket expenses, should be listed in the financial offer.

#### **10.0: Evaluation process**

The evaluation committee appointed by CBSI & UNCDF and each of the members in the evaluation committee will evaluate the technical proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria and sub criteria as outlined in this TOR/RFP. The minimum passing score for the technical evaluation will be 70 points out of 100. All proposals shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score.

The weightage ratio between the Technical and Financial proposal will be 70:30. The financial scores of the financial proposals will be computed according to weightage allocated for financial score. Proposals will be ranked according to their combined technical and financial scores. The contractor achieving the highest score in the combined evaluation will be invited for negotiations. Proposals should be submitted electronically to “Secretary to Board” at [smarahare@cbsi.com.sb](mailto:smarahare@cbsi.com.sb), no later than 17 March 2023.

**Administrative Information**

***Disclaimer***

The final decision on selection of a vendor for this project rests with Project Evaluation Committee. Only shortlisted and successful contractor(s) will be contacted.

***Proposal Submission Information***

Proposals will be due with the following requirements for submission:

<b>Submission deadline:</b>	17 March 2023
<b>No. of copies:</b>	1 Complete Proposal, additional proposal prepared by the bidder is welcomed
<b>Documents to be submitted with Annexure 1:</b>	
<b>Firm</b>	<ul style="list-style-type: none"> <li>• Company Registration;</li> <li>• Company Profile;</li> <li>• List of previous or current clientele on similar work;</li> </ul>
<b>Individual</b>	<ul style="list-style-type: none"> <li>• Full CVs with list of previous similar work;</li> <li>• Disclosure if individual have a full time or part time employment contract with any organization or government official;</li> <li>• For proprietorship, please attached business certificate;</li> <li>• Reference letter .</li> </ul>
<b>Method of submission:</b>	By email to “Secretary to Board” at <a href="mailto:smarahare@cbsi.com.sb">smarahare@cbsi.com.sb</a> in the template
<b>For clarification:</b>	Any clarification, please email to Daniel Haridi <a href="mailto:dharidi@cbsi.com.sb">dharidi@cbsi.com.sb</a>
<b>Submission of Technical and Financial:</b>	<b>Technical and Financial proposal must be separated. CBSI reserve the right to disqualify incomplete submission and non-compliance to the above requirements.</b>

***Contract and Reporting***

Throughout the contract period, the Contractor will be reporting to CBSI Payments Department and UNCDF TA for this project. The contract will be from CBSI with the individual contractor (or consulting firm with specific names of the team members) that would be working on the assignment. The contractor is expected to have a technical background on DFS, FinTech, Retail Payments, Market Sizing and Business Modeling, and Financial Inclusion.

***Confidentiality***

This document is released for the sole purpose of responding to this request for proposal (RFP) and must be considered confidential. Use, reproduction, or disclosure of the requirements, specifications, or other material in this RFP is strictly prohibited.

**Retention of Proposals**

All proposals submitted become the property of CBSI. CBSI will make all reasonable efforts to maintain proposals in confidence and will release proposals only to personnel involved with the evaluation of the project. Proprietary information should be identified in each proposal.

**Evaluation Criteria**

The proposals submitted will be evaluated based on the following criteria:

<p>Criteria for Contract Award</p>	<p>Highest Combined Score (based on the 70% technical offer and 30% price weight distribution), where the minimum passing score of technical proposal is 70%.</p>
<p>Criteria for the Assessment of Proposal</p>	<p><b>Technical Proposal (70%)</b></p> <ul style="list-style-type: none"> <li>- Significance experience (consultancy firm or individual consultant) (Max: 20)</li> <li>- Team Composition (Max: 40)</li> <li>- Adequacy of Methodology &amp; Work plan (Max: 40)</li> </ul>
	<p><b>Financial Proposal (30%)</b></p> <p>To be computed as a ratio of the Proposal’s offer to the lowest price among the proposals received by the Project.</p>
<p>CBSI will award the contract to:</p>	<p>One and only one Service Provider</p>
<p>Contact Person for Inquiries (Email inquiries only)</p>	<p>Please email to Daniel Haridi <a href="mailto:dharidi@cbsi.com.sb">dharidi@cbsi.com.sb</a> Note: Any delay in response shall be not used as a reason for extending the deadline for submission, unless CBSI determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>