



**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE CREDIT
UNION LIMITED**

REQUEST FOR PROPOSAL

Title of Consulting Services:
Consultancy Services for the C&WJCCUL’s Enterprise Risk Management Framework

**SECTION I
LETTER OF INVITATION**

February 5, 2021

Interested Firms or Persons

Reference: Provision of Consultancy Services for the establishment of an Enterprise Risk Management Framework

The Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL) invites proposals for the provision of consultancy service for the Credit Union’s Enterprise Risk Management Framework.

The scope of the consultancy includes the review and enhancement of the Credit Union’s Enterprise Risk Management Framework, development and implementation of ERM tools and training of management and staff in the management, monitoring and reporting of risks affecting their respective business function area. More details on the services are provided in the Terms of Reference.

The Request for Proposal (RFP) includes the following documents:

- Section I - Letter of Invitation (this letter);
- Section II – General Information to the Consultant;
- Section III – Instructions; and
- Section IV – Terms of Reference.

You are kindly being asked to submit your proposal to the Credit Union, including all attachments where necessary, on or before Friday, April 9, 2021 at 12:00 noon.

Sincerely

Carlton Barclay
Chief Executive Officer

SECTION II GENERAL INFORMATION TO THE CONSULTANT

Introduction

The Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL) seeks proposals from qualified firms/individuals to assist the Credit Union with improving its Enterprise Risk Management Framework, to document related policies and procedures into a manual and to enhance the capacity of its Management and Staff in the administration, monitoring and reporting of risk.

Background

C&WJ Co-operative Credit Union Limited first open its door in April 1961, one year before Jamaica gained independence from Britain in August 1962. The company at that time was named JTC Employees Co-operative Credit Union which was bonded to serve the employees of the then Jamaica Telephone Company Limited (JTC).

In 1995 Jamaica Telephone Company (JTC) was renamed to Telecommunications of Jamaica (TOJ) and the credit union was also renamed TOJ Employees Co-operative Credit Union. There was another name change to C&WJ Employees Co-operative Credit Union in 1999 when TOJ was renamed to Cable & Wireless of Jamaica.

In order to serve the wider community and to extend reach to having members outside of the telecommunications industry, the credit union’s name was changed to Communities & Workers of Jamaica Co-operative Credit Union Limited in 2006

Our Vision

To be the financial service provider of choice for stakeholders in communities and industries in Jamaica and the Diaspora.

Our Mission

To enhance the well-being of our members through superior financial services delivered by an empowered and motivated team.

Our Values

- Integrity
- Financial prudence
- Transparency
- Friendliness
- Training and development

A credit union is a financial co-operative which is made up of a group of persons who join together to make certain financial services available to themselves the members of the credit union. The major services offered by a credit union is to provide a facility to save money and to make loans available to members.

All members of any one co-operative must have something in common. They must all fall under what is called a common bond of the co-operative, before they can become eligible to join that particular co-operative. The bond could be, for example, that the people all live in the same Parish or community or that they are involved in the same activity or profession.

To join a credit union, the members must invest a sum of money. This sum is broken down into units called shares. Under the principles and practices governing co-operatives, this investment allows the members to become owners of the credit union. Regardless of the number of shares held in the credit union, each member has only one vote.

How is a Credit Union different from a Bank?

- Credit Unions are owned by its members whereas banks are owned by its shareholders who are not necessarily customers of said bank.
- Credit unions are democratically controlled with each member of the credit union having a vote. Customers of a bank do not have a direct say in how the bank is operated. Decisions are usually made by a small group Directors.
- Credit Unions are non-profit organizations. All profits are reinvested into the credit union and its community. A share of the profit is also given back to each member in the form of an annual dividend. Bank profits go to a small group of shareholders and in most instances are not reinvested into the country within which the bank operates.

Organization and Management

The day-to-day operations of the Credit Union are managed by the Chief Executive Officer (CEO). The CEO is supported by several senior managers responsible for the management of Operations, Credit, Finance, Legal, Risk & Compliance, Information Services, Human Resources, Marketing & Sales and Audit. The Credit Union has approximately 240 employees across 21 branches. The management team is responsible for the implementation of policy directives of the Credit Union’s Board of Directors, which comprise a Chairman and twelve members who are selected by its shareholders. Committees of the Credit Union includes, but not limited to, the Supervisory Committee and the Credit Committee.

Regulatory Framework

The C&WJCCUL is regulated in accordance with the Co-operative Societies Act of 1950. The Department of Cooperatives and Friendly Societies has the responsibility for administering the Co-operative Societies Act and its Regulation and is designated Charities Authority under the Charities Act 2013.

Additional Information

A profile of the Board, Management and Staff in addition to the Credit Union’s financial highlights can be found in its recent Annual Report located on the Credit Union’s website.

Risk Management

The Credit Union is mindful that its ability to maximize shareholders’ value is heavily reliant on the enterprise wide management of risks, more specifically the inherent risks associated with the

development of new and innovative products and services as well as other events with the potential to adversely impact the Credit Union’s operations. To this end, the Bank has been slowly enhancing its Enterprise Risk Management (ERM) Framework. The Credit Union has an established Enterprise Risk Management Committee that oversees Enterprise Risk Management. Enterprise Risk is coordinated under the Risk and Compliance Department. The Risk and Compliance function provides, inter alia:

- the objective view of risk taking activities;
- supports management with the development of risk management strategies; and
- provides guidance to staff to ensure that there is a consistent approach to risk mitigation.

Department managers are responsible for identifying, analysing, evaluating and managing the risks affecting their respective departments.

Notwithstanding the progress made to date, the Credit Union has identified the need to further enhance the ERM Framework to achieve a more developed and robust stage of risk management, monitoring and reporting in line with its mandate and operating environment, the economic conditions, the emerging industry and technological risks or expectations, and best practices.

In this regard, the Credit Union is desirous of engaging a consultant to review and enhance its Enterprise Risk Management Framework, to develop and implement ERM tools and to enhance the capacity of management and Staff in managing, monitoring and reporting on risks affecting their respective departments.

**SECTION III
INSTRUCTIONS**

Consultants intending to apply must note the following:

1. The Financial Proposal is to be submitted together with Technical Proposal.
2. Proposals must remain valid for 60 days after the submission date.
3. Clarifications may be requested not later than TEN (10) days before the submission date that. Any clarification of any matter related to the proposal should be made in writing to:

**Mrs. Sacha Vacciana-Riley
Chief Legal, Risk & Compliance Officer
Community & Workers of Jamaica Co-operative Credit Union Limited
Legal, Risk & Compliance Department
51 HalfWay Tree Road,
Kingston 10
Phone: (876) 936-3800; Facsimile: (876) 929-8118
E-mail: sacha.riley@cwjcu.com**

4. Proposals shall be submitted in the English language.
5. The estimated number of professional staff-months required for the assignment is six (6) months.
6. The Consultant must submit one (1) Original and two (2) copies of the Technical Proposal, and the original of the Financial Proposal.
7. Proposals must be presented on business letterhead, should be concise and include all attachments where necessary.
8. Proposals must be marked “ORIGINAL” or “COPY” as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original shall govern.
9. Your submission should be placed in an unmarked envelope addressed as under:

**Request for Proposal: Consultancy Services for the C&WJCCUL’s Enterprise Risk
Management Framework**

**Attention: Mrs. Sacha Vacciana-Riley
Chief Legal, Risk & Compliance Officer
Community & Workers of Jamaica Co-operative Credit Union Limited
51 HalfWay Tree Road,
Kingston 10**

and submitted directly to the Receptionist at the front desk.

10. The deadline for receipt of your proposal is Friday, April 9, 2021 at 12:00 noon.

11. A firm or individual will be selected based on quality and cost.

SECTION IV TERMS OF REFERENCE

Scope of Works

Component 1 – Implementation of a Risk Management Programme

Under this component, the project will ensure that ERM is integrated within the strategies and performance process of the Credit Union. The lines of action of Component 1 will include:

1. Conducting an assessment of the existing risk management practices in the organization;
2. Recommending an ERM functional structure for the C&WJCCUL’s in accordance with the ERM policy which will be suitable for the Credit Union’s governance framework and for adoption by the Board;
3. Developing an Excel-based Risk Register;
4. Developing and delivering training programmes to support the ERM strategy;
5. Holding consultations with critical stakeholders to obtain buy-in and solicit feedback on the implementation of an ERM framework;
6. Guiding the development of risk assessments for all aspects of the Credit Union’s operations;
7. Supporting the development and performance of a risk assessment of all aspects of the Credit Union’s operations, to include inter alia, organisational, operational, technical, business processes, HR, financial, reputational, environmental, etc.;
8. Supporting the development and application of the ERM strategy to the planning process and internal control systems. This should include methodologies with accompanying templates for:
 - a. Risk registers,
 - b. Risk evaluation and prioritisation,
 - c. Assessment of risk tolerance on the Credit Union’s risk appetite, and
 - d. Development of appropriate responses.
9. Assisting Senior Executives in documenting the Risk Appetite statements and aligning the Risk Registers with the attendant Risk Appetite;
10. Training and mentoring in the use of the methodologies; the completion of the risk matrix template will be an integral part of the assignment;

Component 2 - Change Management and Communication Programme

Organizational change management is particularly important for ERM; successful implementation of ERM requires more than new policies and procedures. ERM requires new ways of behaving, both in how risks are viewed relative to other actions in the organization and how risks are balanced with consideration to performance and cost.

The lines of action of Component 2 will include:

1. Conducting a readiness assessment of the Credit Union in adopting risk management practices;
2. Conducting a culture change assessment for all levels of staff;
3. Providing change management training for key stakeholders;
4. Identifying resistance & planning and executing resistance management strategies;

5. Plan and execute an internal marketing/communication campaign of the ERM Framework/Policy;
6. Prepare and disseminate communication materials, brochures and newsletters and on the ERM responsibilities and accountabilities;
7. Develop a Risk Dashboard for periodic reporting of risk status to the Board;
8. Undertake presentations to management on the risk management plans, approaches, issues and mitigation strategies;

Project Management Services

In the execution of the activities defined under Components 1 & 2 above the Firm/Individual will be required to provide project management and coordination of the lines of action which shall include the following activities:

1. Preparation of a project plan and work schedule for period;
2. Preparation of an expense budget for activities under Components 1 & 2 scheduled over the period of the project;
3. Provide status updates on progress, impact, issues and next steps; and
4. Provide a close-out report with recommendations.

Methodology

The firm or individual is expected to perform the services required in accordance with the highest professional standards and international best practices, bearing in mind the objective of the assignment, the desired outputs and the ERM policy and legislative framework. The Consultant will develop, and submit outputs as specified in these Terms of Reference. The team of consultants is expected to relate to stakeholders at various levels within the credit union in the conduct of this assignment. The assignment should be conducted in a spirit of collaboration and consultation with the staff and key process owners and stakeholders relevant to the implementation of the ERM Strategy.

Deliverables

The deliverables under this engagement are as specified in the table below. All documents submitted must conform to the following minimum standards:

- a) should use language appropriate for the target audience, whether technical or non-technical;
- b) should be comprehensive, properly formatted and well presented; and
- c) should be developed through a consultative process, ensuring feedback from key stakeholders.

The key deliverables are expected to include:

- a) ERM functional structure for the Credit Union;
- b) Guidelines for Risk Assessment for all aspects of operations of the Credit Union;
- c) Providing training and relevant materials to build and sustain capacity within the organization for the application of ERM;
- d) Development of a comprehensive Change Management plan; and
- e) Development of an ERM Communications plan.

	Key Output	Details
1	Risk Appetite Statement	<p>Create:</p> <ul style="list-style-type: none"> • Risk appetite policy and procedures document • Risk appetite periodic reporting document • Develop defined risk appetite measures. This include risk appetite, risk tolerance definitions and limits • Define various department’s responsibilities in contributing to risk measures. Special emphasis on credit, liquidity, market risk and operational risk.
2	Risk Profiling Tool	<ul style="list-style-type: none"> • Develop customer risk profiles for members and the respective branches
4	Risk Rating System	<ul style="list-style-type: none"> • Establish a risk rating system for members
5	Enterprise Risk Management Policies and Procedures Manual	<ul style="list-style-type: none"> • Develop an Enterprise Risk Management framework • Develop the Risk Management Framework incorporating: <ul style="list-style-type: none"> ○ COSO Framework ○ The Three Lines of Defense Models (Business Line, Risk Department, Internal Audit). ○ Risk Appetite Statements • Develop models and procedures for measuring risk exposure. • Develop an enterprise wide risk monitoring framework to include various levels (Departments, Management, Risk Department, and Board). • Create periodic reporting documents • Provide training to staff to build skills on items • <p>Note: The framework must be tailored specifically to the needs of the Credit Union.</p>
6	Financial Simulation for Stress Testing	<ul style="list-style-type: none"> • Develop of a financial simulation model for stress testing the banks financial position.
7	Training	<ul style="list-style-type: none"> • Conduct training relating to the scope of work and tailored for the Board of Directors, the Risk Department, Management and key staff.

Qualification, Experience & Competencies

Profile/Qualifications of the Consultant and Team:

- A minimum of seven (7) years’ experience in risk management, particularly as it relates to, though not limited to, financial management and internal control activities;
- A minimum of seven (7) years’ experience in the implementation of an enterprise risk management framework and business continuity planning services with banking experience inclusive of a change management and training programme.
- Testimonials of assignments of a similar nature completed in the last five (5) years and their locations.

- The team leader must have a degree in business management, finance, commerce or equivalent qualifications from a recognized university, must also be a member of a relevant Professional Body and have certification in risk management.
- Other personnel should have a degree in business management, finance, risk or equivalent qualifications from a recognized university and five years’ experience in risk management consulting. Training in risk management and professional certifications.
- Project Management Certification or equivalent from an accredited project management institution.
- Knowledge of project management approaches and principles.

The team may comprise of:

- Risk Management Specialist
- Communication Specialist
- Change Management Specialist
- Experience with conflict management.
- Project Administrator & Logistics Specialist

Required Competencies:

- Team members must have the ability to:
- Analyse a situation with an objective mind, make effective decisions
- Adhere to the organisation's values, regulations and act accordingly
- Develop insight into the culture and environment of the organisation
- Listen carefully when conversing with internal and external stakeholders
- Build trust and confidence to enhance support of shared objectives
- Think strategically
- Provide specific instructions, and a clear vision
- Behave and speak appropriately
- Be creative and adaptable
- Write and speak in a clear and convincing manner
- Demonstrate good organization, team-work and time-management skills
- Endure and work under stress
- Negotiate with the best interests of the organisation in mind
- Demonstrate good communication and presentation skills

Items to be included with your proposal

A. General Firm Information

1. Provide a brief description of your firm, including but not limited to the following:
 - i. Name of the principal(s) of the firm.
 - ii. Name, telephone number and email address of a representative of the firm authorized to discuss your proposal.
 - iii. Number of employees of the firm.

B. Experience and Resources

1. Describe your firm and its capabilities. In particular, support your capacity to perform the Scope of Work.
2. Indicate which principals and associates from your firm would be involved in providing services. Provide appropriate background information for each such person, and identify his or her specific responsibilities or tasks and estimate of time needed to carry out the engagement/ assignment.
3. Provide a detailed list of references (at least three (3)), including a contact name and telephone number for organizations or businesses for whom you have performed similar work.
4. A description of the methodology and work plan for performing the engagement/assignment.

C. Fee Structure

The information requested in this section is required to support the reasonableness of your fees.

1. Please provide a cost proposal for providing the Scope of Work, to include all related activities and attendance at related meetings. Provide an itemized breakdown of billing rates and hourly costs, list of key personnel and their hourly rates, where applicable, reimbursable expenses, etc. for any services that may be requested in addition to the services previously described.
2. The fee structure should clearly identify as a separate amount any local taxes, levies or other charges imposed where applicable.
3. Please provide any other fee information applicable to the engagement that you wish to bring to the attention of C&WJCCUL.
4. All fees shall be expressed in Jamaican Dollars or its United States Dollars (USD)
NB. All bid prices quoted in foreign currencies will be converted at the prevailing selling rate established by the Central Bank of Jamaica on the date of bid submission.

D. Miscellaneous

1. Discuss any additional information or topic not covered in this Request for Proposal that you would like to bring to the Credit Union’s attention.
2. Any comments or suggestions on the terms of reference and a list of services and facilities to be provided by the Credit Union.
3. The proposal should remain valid for 60 days after the submission date, within which the Credit Union will make its best effort to complete negotiations. If the Credit Union wishes to extend the validity period of the proposals the bidders shall agree to the extension.

Supervision and Reporting

The consultant will be under the direct supervision of the Chief Legal, Risk and Compliance Officer in coordination and collaboration with other stakeholders.

Payments/ Remuneration

The Credit Union proposes to make payments to the Consultant based on agreed milestones/deliverables, in tranches upon certified completion of the deliverables. The consultant will be expected to present invoices in support of each payment.

Amounts payable by the Credit Union to the Consultant under the contract will be subject to local taxation and all bidders shall submit their Tax Compliance Certificate at the time of bid submission.

“Sign-off” Procedure

The Credit Union’s ERM Committee will review all deliverables to ensure they align with the objectives and defined lines of action as detailed in the scope of work for this assignment. The Chairman of the ERM Committee will review and authorise acceptance on all deliverables produced. Sign-off for payment will be by the Chief Executive Officer subject to acceptance by the Chairman of the ERM Committee.

Variations

Revisions to the TOR may be accommodated through mutual discussion and agreement with the ERM Committee. Also, all proposed changes to the deliverables must be discussed with the Chief Executive Officer and agreed on by the Committee.

Evaluation and Selection

Selection Committee

A selection committee consisting Members of the ERM Committee and Management (the “Committee”) will evaluate all proposals on the basis of their responsiveness to the scope of work required and will make a determination principally on the following factors:

1. Professional capacity to undertake the scope of work;
2. Proposed fee structure inclusive of taxes, where applicable;
3. Ability to perform within time and budget constraints;
4. Evaluation of potential work plans;
5. Previous work experience and performance with similar organizations;
6. Recommendations by references; and
7. Other pertinent information submitted.

The Committee will forward its report and recommendations to the Credit Union’s Board of Directors.

CRITERIA	MAXIMUM SCORE %
<i>Profile/Qualification of the firm</i>	22%
<ul style="list-style-type: none"> • A minimum of seven (7) years’ experience in risk management, particularly as it relates to, though not limited to, financial management and internal control activities 	11%
<ul style="list-style-type: none"> • A minimum of seven (7) years’ experience in the implementation of an enterprise risk management framework and business continuity planning services with banking experience inclusive of a change management and training programme. 	11%
<i>Testimonials/References</i>	10%
✓ 3 from client over last 5 years	5%
✓ 2 from client over last 5 years	4%
✓ 1 from client over last 5 years	1%
<i>Qualification & Experience of Team Lead</i>	32%
✓ Seven (7) years professional experience in the design and operation of risk assessment and management systems in the public and/or private sectors inclusive of enterprise risk management and project management	8%
✓ Masters’ degree in Business Management or equivalent	8%
✓ Professional certification in Risk Management from an accredited institution	8%
✓ Project Management Certification or equivalent from an accredited project management institution	8%
<i>Qualification & Experience of Other Team Members</i>	36%
✓ Seven (7) years’ experience in financial management and control, with specific reference to risk assessment and risk management	6%
✓ Bachelor’s degree in business management, finance or equivalent	6%
✓ Knowledge of project management approaches and principles	6%
✓ Professional certification in Risk Management from an accredited institution.	6%
✓ Certification in change management principles and methodologies	6%
✓ Experience implementing change management interventions within large organizations;	6%
TOTAL SCORE	100%

The formula for determining the financial scores is the following:

$S_f = 100 \times F_m / F$, in which S_f is the financial score, F_m is the lowest price and F the price of the proposal under consideration.

The weights given to the Technical and Financial Proposals are:

T =0.8

P =0.2

Negotiations

The Credit Union will make its best efforts to negotiate with the successful bidder once selected, to reach an agreement on all points within the shortest time possible. A payment schedule will also be agreed during negotiations.

Award of Contract

The successful consultant, once selected, will be required to sign a contract for services. The parties to the contract shall have it signed within 30 days from the date of notification of contract award. The Credit Union will promptly notify other bidders on the shortlist that they were unsuccessful.

Termination of Procurement Proceeding

The Credit Union may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination. The Credit Union shall give prompt notice of the termination to the applicants.

Disclaimers

- C&WJCCUL may invite one or more finalists to make presentations.
- In its sole discretion, C&WJCCUL may negotiate with one or more firms who have submitted qualifications to submit more detailed proposals on specific projects as they arise.
- By this Request for Proposal, C&WJCCUL has not committed itself to undertake the work set forth.
- C&WJCCUL reserves the right to reject any and all proposals, to rebid the original or amended scope of services and to enter into negotiations with one or more respondents.
- C&WJCCUL reserves the right to make those decisions after receipt of responses.
- C&WJCCUL decision on these matters is final.

Nondisclosure/ Confidentiality

The Consultant will not disclose to others or use, whether directly or indirectly, any confidential information shared by the client at any time during or after the contract term, unless the client grants, written consent for such disclosure or use. In addition, the firm will use its best efforts to prevent any such disclosure.

The consultant will be expected to hold the interests of the C&WJCCUL, including its Board of Directors, staff and members, paramount and in so doing, will ensure that all advice and recommendations reflect the utmost professionalism. The consultant is expected to treat all records and information that comes into their possession as a result of the consultancy as confidential. To this extent, the consultant, including the officers assigned to carry out the scope of work will be expected to sign a non-disclosure/confidentiality agreement prior to the commencement of work.

The firm is expected to come equipped with the tools and necessary equipment to carry out the assigned tasks.

Conditions

At the level of the contract to which this TOR belongs the presentations, document outputs and reports will function as the basis on which the performance is monitored and evaluated. Their timely delivery and quality will be monitored closely.

The following indicators will be used to assess the performance of the consultant:

- Meeting the project objectives and expected outputs;
- Ability on meeting targets and milestones;
- Timely submission of deliverables; and
- Quality of reports.

Access to information and records

The Consultant will have access to all the information necessary to carry out their work, upon written request, in order to deliver effectively on the requirements of this consultancy. This may include financial records and explanations from any department.

Nevertheless, if in the opinion of management a member of the consultancy team is not considered sufficiently senior in position to be allowed unlimited access to the Credit Union’s information, or has not signed off the confidentiality or nondisclosure agreement as required, such a member may be denied access and the same will be communicated to the officer in charge of the Consultancy. The Consultant is not permitted to take copies of any documents without C&WJCCUL Management’s authorization.

Fraudulent practices

C&WJCCUL requires that the Consulting firm observe the highest standards of ethics during the selection and award of the consultancy contract and also during the performance of the engagement/ assignment.