

**<ORGANISATION NAME AND LOGO>**

**REQUEST FOR PROPOSAL (PACKAGE PROCUREMENT)**

**VERSION <INSERT VERSION NUMBER>**

Sample  
<INSERT DATE>

This template is summary in form and is not intended to constitute professional advice or a substitute for professional advice. Some conclusions and matters addressed in the template may be subject to opinion and judgement and do not necessarily contain all the facts and information necessary to reach an informed conclusion on the matter concerned. Consequently, this template should not be taken as complete, accurate, up-to-date, definitive for any similar situation, or fit for any particular purpose. This template should not be relied on in relation to any business or other decisions or otherwise and is not intended to replace the expertise and judgement of your independent accounting, tax, legal or other professional adviser.

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## CONFIDENTIALITY

ALL INFORMATION CONTAINED WITHIN THIS DOCUMENT IS CONFIDENTIAL AND IS PROVIDED ONLY TO GIVE SUPPLIERS AN ADEQUATE UNDERSTANDING OF FIRM C'S REQUIREMENTS. UNDER NO CIRCUMSTANCES SHOULD INFORMATION BE DISCLOSED TO ANY OUTSIDE PARTY.

**Note:**

This template document is provided by way of example only and is not appropriate for use without revision. The main body of the text focuses on procurement of a software package. The document must be amended where required to reflect the specific type(s) of software or other IT commodity being procured.

Examples of Functional Requirements for Derivatives Trading must not be regarded as comprehensive statements of such requirements.

# Sample

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## 1. Instructions for Responding

### Introduction

The purpose of this Request for Proposal (RFP) is to assist in the specification and selection of a package to support Firm C. This document provides information about the firm and its plans for growth, along with detailed questions about your solution. It is being sent to several vendors who will be invited to demonstrate their system to us. You are therefore advised to include as much information as you consider sufficient on your proposed system, along with an overview of your implementation strategy and timings for this.

You are invited to tender for the supply of software to meet the firm's requirements. This includes the core system, any modifications to the packages (including specific costs and time-scales involved), installation support, training and on-going maintenance and support.

This document and the response that is provided by the supplier will form part of any contract between Firm C and the supplier.

Suppliers should assume that there would be no charge made to Firm C for the response to this document. In the instance that the supplier is requested to stage a demonstration of their product, it should also be assumed that there will be no charge made to Firm C for the demonstration.

### Supplier's Response

Responses to the RFP must be returned by email to <contact name@Firm C e-mail address> no later than 5:30pm on <Friday XX Month 20XX.>

Suppliers must describe how their software will address **all** the functional and technical requirements described in sections 4-7. They must also answer all cost related questions in section 8.

Any questions should be directed to <contact name> at Firm C.

We would like to thank you in anticipation of your response, and for agreeing to take part in this RFP. We look forward to your response, and will inform you of the outcome of your response as soon as possible.

### Project Timetable

The <project name> Project is the establishment of <enter details of project>. The project involves the following key steps:

- Issuance of this document to a list of potential suppliers by <Month> XX<sup>th</sup>, 200X.
- Responses to be received by <Month> XX<sup>th</sup>, 200X.
- On the basis of the replies to the RFP document, a short list of potential suppliers will be selected and this group will be asked to present demonstrations of the product(s) which they propose using a series of business cases which will be circulated to the potential suppliers. These meetings will be completed by <Month> XX<sup>th</sup>, 200X.

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- Construction of the infrastructure and processes for project <project name> by Firm C, and the implementation of the selected software. **Note:** You should specify whether Firm C or the supplier would implement the software, or a 3<sup>rd</sup> party.
- Establishment of the <project name> function. Firm C will complete this.
- Testing of Company C processes and new software by <Month> XX<sup>th</sup>, 200X. Firm C will perform this.
- Implementation of the pilot of the application by <Month> XX<sup>th</sup>, 200X.

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## 2. Firm Overview

### Background

Firm C was formed in 19XX. The Firm specialises in X, Y and Z. It is experienced in A, B and C.

The focus is on providing <enter brief description of the business' strategic objectives>.

Turnover for 20XX is anticipated to be £ZZm. Firm C currently employs approximately nnn staff. The company has experienced growth averaging m% per annum for the last n years, and any solution selected is expected to be capable of supporting an organisation of approximately yyy staff in the next 3 to 5 years.

### Business Activities

<Describe business organisation as appropriate. This should be in sufficient detail for suppliers to understand the environment in which their product will be expected to operate for the foreseeable future, and could include the following considerations.>

The organisation is structured into the following client service lines of business (each of which will have a number of departments):

- A
- B
- C

The organisation will operate in the following industry/market sectors:

- X
- Y
- Z

The client base includes a range of organisations, including <describe as appropriate>.

### Key business drivers

There are a number of drivers, or key business reasons, behind the procurement requirement. These are:

- X (e.g. cross-border distribution of broking services via electronic order routing technology)
- Y
- Z

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### 3. Overview of business operations

<Describe current operations in this section.> The following gives some examples of headings, which may be appropriate.

#### Services

Firm C currently offer a range of services to its client base.

<Describe these services as applicable, for instance include details of type and numbers of clients, countries in which clients operate, trading exchanges in operation, number of transactions traded with each exchange>

#### New Services

Firm C is looking to enhance its client service provision in the following ways:

<Describe new services, such as new exchanges, new countries, changes to client base>

#### Current systems

Firm C uses the following systems to deliver existing services:

<Summarise using diagram if appropriate, particularly to indicate boundaries of systems, interface requirement>

<Include hardware and operating systems (current and anticipated change which may affect a supplier's ability to deliver their solution)>

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#### 4. Overview of key requirements

Note: This section should summarise key functional requirements (details are included in section 5).

It should also be noted that this section also includes all non-functional requirements such as **regulatory requirements, security requirements, etc.**

The firm's core requirements is for a new system that:

- X(e.g. Overview of Key Requirements)  
<include critical selection criteria, such as specific exchanges, Euro compliance,>
- Y (e.g. Regulatory Requirements)  
<for instance, details of the controls which the application must provide to comply with appropriate regulations, audit trails of all trades by identifiable users, essential reconciliations performed within the software solution>
- Z (e.g. Security Requirements)  
<for instance, restricted access to trading transactions by individual, enforced password changes>

<Additional requirements may include ability to process specific volumes of transactions>

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## 1. Functional requirements

Note: This section is made up of the Statement of Requirements. State your requirements in as much detail as possible to enable suppliers to provide the best response possible. Some examples follow in this template to indicate the desired level of detail. These should not be interpreted as comprehensive statements of such requirements.

### Note to Suppliers:

For each functional requirement, please state if the requirement can be met by the system as is ("Y"), is not met by the system ("N"), or can be provided by configuration ("C") or bespoke work ("B"). Please add any additional, relevant comments for functionality that is not included in the current version, please outline expected release date. Please also indicate where a third party will provide any functionality.

**Priority: E – essential, D – desirable**

Nos	Requirement	Priority	Response
<b>Derivatives Trading</b>			
5.1	Exchange connectivity – e.g Connectivity required to the following exchanges – LIFFE, Eurex, Euronext, CBOT (a/c/e), CME, SFE, SGX etc..	E	
5.2	Fast order entry and fill - can be done via mouse or keyboard.	E	
5.3	Configurable alerts, both audible and visual, for prices reaching predefined levels.	E	
5.4	Ability to trigger trades based on alerts.	D	
5.5	Ability to handle all recognised exchange trade types including basis trades.	E	
5.6	Ability to handle the following order types: stop limit, MIT, market, hidden (iceberg), alternative (either/or) .	D	
5.7	Ability to pull orders subject to variables such as by customer, buys, sells, part-fills etc..	E	
5.8	Are the following order validity options supported? Good till Cancelled, Good till Date – are any other validity options supported?	D	
5.9	Are open orders automatically checked for validity? How often?	D	
5.10	Display of all calendar spreads both explicit and implied.	D	
5.11	Configurable window based interface that allows monitoring of trade combinations such as futures and options.	D	
5.12	Ability to trade hybrid strategies across different contracts and exchanges.	D	
5.13	Choice of options valuation models.	E	

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Nos	Requirement	Priority	Response
5.14	Full depth of market where supported by underlying market.	E	
5.15	Searchable trade log with ability to sort by time, size, contract and price.	E	
5.16	Technical analysis trading tools.	D	
5.17	Shared order book.	E	
5.18	Ability to view, edit and pull orders in shared order book.	E	
5.19	Ability to sort shared order book by contract, trader, time and size.	E	
5.20	Ability to interface with middle office systems such as 'Clearvision'.	E	
5.21	How does the system handle system failures / trading halts? Can orders be cancelled in such an event?	E	
5.22	Ability to set pre-trade order limits with specific permissions.	E	
5.23	Permissions may be set according to order size, position limit, P&L, net equity. For options, permissions would need to include limits set by delta, gamma, vega and theta.	E	
5.24	Alerts triggered by limit violations.	E	
5.25	Ability to edit and override set limits including lock-out facility.	E	
5.26	Ability to vary margin levels according to client.	E	
5.27	Ability to deliver order routing capability to clients via the internet or dedicated network.	E	
5.28	Order routing capability should be scalable up to 5000 users.	E	
5.29	Order routing API should facilitate development of bespoke trading applications by clients.	D	
<b>General Features</b>			
5.30	Comprehensive on-line help facility.	E	
5.31	Ability to link to other applications such as Excel.	E	

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## 2. Technical Requirements

**Note:** the following section provides a sample of technical questions that might be asked of suppliers.  
Please amend as necessary for your organisation, delete any non-relevant sections from the final document if they are not required, and add any additional requirements that are appropriate for your organisation.

Nos.	Question/Requirement	Response
6.1	Please describe how the different application modules interact?  Client/server architecture with any dependencies  Describe the architecture of the system and future plans (next 2 yrs)	
6.2	Operating systems: What operating systems does your application(s) support? Dependencies? What programming languages does your product support? Dependencies?	
6.3	Hardware Minimum server specification  Optimum server specification  Minimum PC specification  Optimum PC specification	
6.4	Language in which applications written	
6.5	Operating platform  MS NT Client or Web browser certified?	
6.6	What network transports (i.e TCP-IP) does your product support?	
6.7	Database Is a relational database used, is so what type(s)?	

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Nos.	Question/Requirement	Response
6.8	Information retrieval tools are:  Built into product  Third party tools (please describe)	
6.9	Describe the security system provided by the product.	
6.10	Support security authorisation at  Application module level  Menu option level  Screen level  Function level (add, delete or change)  Are security features linked to NT security?	
6.11	Please describe the audit trails that can be maintained	

Sample

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### 3. Software characteristics

Nos	Question	Response
7.1	For the version of the software you are proposing: Date it was first released Current version number	
7.2	For the version of the software you are proposing - please specify the number of installations in use world-wide	
7.3	For the software version you are proposing – please state the number of installations which you have carried out in UK	
7.4	Date of next scheduled release	
7.5	Contents of next release	
7.6	Does your company hold a copy of the system design documentation and source code? If not, do you have the right to escrow the source code?	
7.7	Will any third party software be required? If so please provide details	
7.8	For any third party software, please indicate who will provide support and maintenance.	

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#### 4. Costs

Nos	Question	Response
8.1	Please summarise the total costs involved in this response.	
8.2	What are the license costs for individual parts of the solution?	
8.3	Please provide indicative implementation costs to implement the system given a project manager and project team have been identified by us	
8.4	Please state your consultant's day rates	
8.5	Please provide indicative training costs required to train the following people on the use of the full system:	
8.6	Please state the annual support and maintenance cost – please state the annual cost, % of license cost, when payable and whether applicable to first year's usage.	
8.7	What are the costs of documentation / manuals?	
8.8	What is the frequency of new version upgrades (new functionality). What is the associated cost for undertaking these upgrades	
8.9	What is the frequency of bug fix (new release) upgrades? What is the associated cost for undertaking these upgrades?	
8.10	How does the product cater for reporting and enquiries?	
8.11	If a third party product is required please indicate separately the licence, training and implementation costs.	
8.12	Are there any other costs associated with the implementation that should be included?	
8.13	For an implementation of this nature can you please provide an indicative time to implement once contracts have been agreed?	
8.14	What is the availability of the support desk, days of week and operating hours	
8.15	Please provide any other additional relevant information	

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## **5. Contractual Information**

Please supply copies of your standard terms and conditions of business.

Provide details of any non-negotiable clauses to which your contract is subject.

Sample

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