

REQUEST FOR PROPOSAL

Project:

WISE2019

RFP issue date: December 2018

Issued by:

Hong Kong Financial Services Business Continuity (HKFSBCM) Ltd

www.hkfsbcm.org

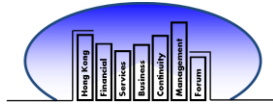
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INTRODUCTION AND BACKGROUND

The Hong Kong Financial Services Business Continuity Management (HKFSBCM) is a group of senior BCM professionals employed in a wide cross-section of firms in the banking and securities industry. It is both registered as a Society and as registered company Ltd by Guarantee (not-for-profit). HKFSBCM aims to collaboratively address the concerns of business continuity in the industry. HKFSBCM holds monthly meetings where members discuss current affairs, looming threats, regulatory requirements and best practices in the areas of Business Continuity Management and Crisis Management. Relevant experts and organizations, such as Hong Kong Electric, Thomson Reuters and International SOS, are often invited. In addition, HKFSBCM conducts BCM-related industry surveys and benchmarking. HKFSBCM facilitates connection of members – when a real crisis occurs, members know to find each other. As shown during the Occupy Central protests and various virus threats HKFSBCM helps to share information and align approaches of different firms.

HKFSBCM also organizes the biennial industry-wide exercise WISE (Whole Industry Simulation Exercise). This is one of the key initiatives of HKFSBCM. An industry-wide simulated exercise creates a unique opportunity for participating organizations to exercise their response strategies to potential crisis situation, where the whole of Hong Kong financial services industry is impacted.

Similar industry-wide exercises are organized in other countries, for instance the Quantum Dawn exercises in the US, the Raffles/IWE exercises in Singapore.

The first, smaller scale exercise was conducted in 2013, when a group of financial institutions each individually but simultaneously responded to simulated unfolding pandemic crisis.

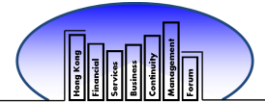
The second exercise, conducted in 2015, was of much larger scale. Its scenario included a simulated wide-area transport disruption, followed by a serious internet disruption and data leakage. The senior Crisis Management Teams (CMTs) from 25 leading financial institutions participated in this exercise and a team of more than 30 professional volunteers worked behind the scenes to ensure the 4-hour real-time exercise ran smoothly. This exercise was initiated, organized, developed and delivered by HKFSBCM members with the support of a number of consultancies, who gave their time on a pro-bono basis. Expenses for equipment and technical services were serviced with a small participation fee levied on all participants.

WISE2015 successfully achieved its three primary objects:

- Increase individual firms' familiarity with Business Continuity Plans (BCPs) and facilities.
- Practice inter-bank and agency coordination, crisis communication, and crisis management skills.
- Improve the resilience of the financial services industry in Hong Kong in responding to systemic risks.

Feedback was collected from participants and was overwhelmingly positive. See <http://www.hkfsbcm.org/wise2015.html> for more information.

WISE2017 took place on 27 October 2017, and was again very successful. This time it attracted 45 financial institutions participated with their Crisis Management Team. In a scenario that focused even further on potential Cyber threats and a physical terror attack. The 4 primary objectives were to:



- Increase awareness of contemporary and emerging threats facing the financial sector,
- Provide organizations with an opportunity to review their preparedness,
- Enable individual firms to exercise their crisis management plans and teams, and
- Develop the skills to strategically respond to major incidents, including stakeholder management and coordination, crisis communication and crisis management skills.

Again, feedback from the participants was very favorable. For more information see <http://www.hkfsbcm.org/wise2017.html>.

Where WISE2015 was entirely organized by professional volunteers from HKFSBCM and the participating organizations, WISE2017 contracted an external firm to help with organizational and project management support. A Request for Proposal (RfP) was issued and Control Risks was selected to coordinate the event together with HKFSBCM team and a small army of volunteers.

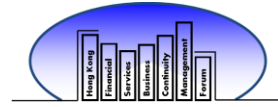
HKFSBCM is now looking for an organizer and is accepting proposals in response to this RfP and will select the best qualified party to provide the support for the WISE2019 exercise. The vendor is expected to execute the full front to back of the crisis simulation within an agreed budget by the agreed timeframe. While price is a significant factor, other criteria will form the basis of our award decision, as more fully described in the evaluation Factors section of this RfP below.

SUBMISSION GUIDELINES AND REQUIREMENTS

The following submission guidelines and requirements apply to this RfP:

1. Only qualified firms with prior experience on similar and/or relevant projects should submit proposals in response to the RfP.
2. Bidders' intent on submitting a proposal should notify in writing by either post or email the representative identified on the cover page no later than **31 January 2019**.
3. Bidders must list at least two projects that are substantially similar to this project as part of their response, including references for each one. Examples of work should be provided as well.
4. A technical proposal must be provided that it is not more than 10 pages. This technical proposal must provide an overview of the proposed solution as well as resumes of all key personnel performing the work. In addition, the technical proposal should provide a Target Operating Model and proposed schedule and milestones, as applicable.
5. A price proposal must be provided that is no more than 2 pages. The price proposal should indicate the overall fixed price for the project, or project segments, as well as the hourly rates and estimated total number of hours, should HKFSBCM decide to award a contract on an hourly rate basis.
6. Proposals must be signed by a representative that is authorized to commit bidder's company, and submitted in hardcopy by post.
7. If you have a standard set of terms and conditions, please submit them with your proposal. All terms and conditions will be subject to negotiation.
8. Proposals must be received prior to **28 February 2019** to be considered.
9. Proposals must remain valid for a period of 60 days.

HKFSBCM anticipates selecting at least two firms for in-person presentations and to have more in-depth discussions with, and will make an award to one of these shortlisted firms.



PROJECT DESCRIPTION

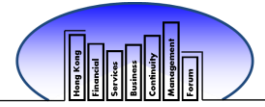
The purpose of this project is to organize WISE2019, an industry-wide table-top Crisis Management Exercise targeted at the financial services industry in Hong Kong.

The description of the project is as follows:

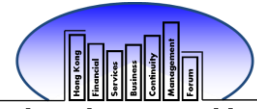
1. In a **tabletop exercise**, the crisis management team (CMT) in each individual participating organization is called together on a pre-announced date and time on their premises to participate in the scenario. What they do not know, however, is what the scenario is and how that scenario will unfold. Through so-called 'injects', which can be situational reports, emails, phone calls, or even newscasts, the CMT is informed of simulated developments of a crisis situation. A 'simulation team' in another central location controls these injects. The CMT members are expected to respond, live, as if it was a real situation. Since it is a table-top exercise only, no real actions are taken, for example, they will not evacuate the building or activate a recovery site. However, they will role-play going through the motions of having those discussion, making those decisions and giving those commands to the executing their strategies as part of the exercise.
2. In an **industry wide** table-top exercise, one central simulation team sends injects to all the participating CMTs simultaneously. Each CMT convenes in its own premises.
3. The **theme** of WISE2019 scenario will include Cyber threats. The Impact of the scenario should impact the broader financial ecosystem. Focusing mostly on systemic risks. This cyber scenario can include (but is not limited to):
 - DDOS
 - Phishing
 - Web portal defacement
 - Data theft
 - Disclosure sensitive data
 - Social Engineering
 - Ransomware / extortion
 - IT Service interruption
 - Loss of datacenter
 - Cyber heist

Note: Impact might be related to a head office (e.g. when using global systems and global infrastructure, but a local response would still be required.)

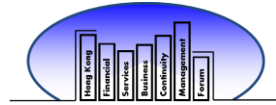
4. In addition to the Cyber theme, other strands of events should make the scenario more challenging. Other themes that should be considered include physical security challenges, terror incidents, infectious disease, IT outages, power failures, social unrest, airborne nuclear or chemical threats, etc.
5. The **scenario** will be developed together with the HKFSBCM project team, and the vendor will not disclose this to any of the participants or to any other party prior to the exercise.
6. The **Injects** should mainly be distributed through a live web portal. In addition, phone calls and emails should be considered.
7. The exercise should last **4 hours**, from 1pm to 5 pm, potentially with a break in the middle.



8. The **exercise date** must be late October / early November 2019. Bidders may propose a date earlier or later, and it will be evaluated accordingly.
9. Every participating organization will need to assign their own **facilitator**. The role of the facilitator will be to represent the WISE2019 organization onsite at each CMT locations. The facilitator will ensure the technical setup of the web portal is functioning; the CMT members are invited, engaged and well briefed, he/she will prompt discussion questions when needed, and facilitate the evaluation process. The facilitator will not be part of the CMT, and not chair the meeting.
10. The **potential participants** include Hong Kong based (branches or subsidiaries of):
 - a. Banks
 - b. Security Brokers
 - c. Asset managers
 - d. Insurance companies
 - e. Exchanges and clearing houses
 - f. Financial sector authorities
 - g. Market data providers
11. The successful bidder will be responsible for the entire **organization of the exercise (from front-to-back)**, which includes (but is not only limited to):
 - a. Project office
 - i. Organize regular progress meetings with HKFSBCM organizing team (and sub teams) and publish meeting minutes, actions lists, and progress reports
 - b. Marketing & Registration
 - i. Publicity, information and direct marketing to encourage banks to participate.
 - ii. Liaise or facilitate liaison with a wide range of stakeholders, such as relevant (financial) authorities, industry bodies and groups, relevant market parties such as HKEX and market data providers, IT infrastructure, public transport, building management, first responders, and others.
 - iii. Registration, confirmation, payment collection and any related follow-ups with/from the participants
 - c. Financial management
 - i. General management of revenues and spending
 - ii. All financial transactions related to WISE2019 will flow through the HKFSBCM bank account.
 - iii. The Board of HKFSBCM and its treasurer will oversee all the financial transactions through the bank account as per standing procedures and authorizations.
 - d. Facilitator support
 - i. Brief and train facilitators for their role and task in a timely and comprehensive manner.
 - ii. Provide facilitators with any and all relevant materials in a timely manner, including backup materials.
 - e. Scenario Development
 - i. The scenario must be developed by the vendor, in collaboration with subject matter experts to make it realistic, but most importantly, fit for purpose.
 - ii. Various relevant subject matter experts should be consulted. HKFSBCM can assist with access to a host of organizations and individuals.



- iii. The final scenario must be developed in collaboration with and approved by the HKFSBCM WISE2019 organizing team.
 - f. Injects development
 - i. As there will be a multitude of industry segments participating, tailored injects for sub-industry should be considered. The injects should also be tailored according to the maturity of the participating CMT (i.e. more mature organizations can take the inject further and less mature organizations can do the basic or required parts only).
 - g. Technology
 - i. For both WISE2015 and WISE2017, live portal technology was employed for exercise. The Vendor is expected to make all arrangements for the live portal technology or similar.
 - ii. Expense regarding these arrangements can be included in the proposal as a PM budget.
 - h. Command center coordination
 - i. The command center is the epicenter of the exercise delivery on the day of the exercise. Vendor will coordinate different teams & roles in this center, including (but not limited to): General coordination, Trusted agents, Subject matter experts, Inject controllers & technical support.
 - ii. Vendor is expected to provide staff to fulfill all the above mentioned roles in the command center and provide all command center participants with the appropriate training to fulfil their roles effectively. If needed, HKFSBCM can assist in providing volunteers for these roles.
 - iii. Vendor will provide or have provided a suitable location for the command center as part of the proposal. Expense regarding these arrangements, if any, must be included in the proposal.
 - i. Post Test Follow-up/Debrief & Report
 - i. Organizing and managing the post-test consolidation of feedback and hosting a follow-up/debrief session for all the participating institutions to review this feedback.
 - ii. To produce and distribute the final report no later than 1 month after exercise completion, with the approval of the Board of HKFSBCM.
 - iii. The report should include (i) a single overall report that can be shared with all participants and organizers and (ii) a report specific to each participants providing benchmarking against industry standards/best practices as well as against all participants (this report will be provided only individually to each firm).
12. The successful bidder can expect support from, and is expected to proactively leverage volunteers from HKFSBCM, which are all experts in the field of BCM in the financial industry.
13. All intellectual property of the exercise, including but not limited to scenario, injects, design, logos, briefing and training materials, distribution lists, etc. remains with HKFSBCM



PROJECT SCOPE

The criteria set forth below should be met to achieve successful completion of the project:

Exercise objectives:

1. The exercise will establish a platform to display, exercise and train Senior management to deal with the systemic impact of Cyber threats and other threats to the financial sector in Hong Kong
2. CMT education on Cyber and other relevant threats
3. CMT crisis management skills training
4. Experience the need for end-to-end response when industry-wide interruptions occur
5. Testing the coordinated response of the CMT and reporting these actions and the results back to SFC/HKMA
6. Use of Deputy CMT members during a prolonged crises
7. During the preparation: Training BCM professionals of how to facilitate CMT's
8. Communication between participating institutions during crisis situations
9. Establish the role of Bankers Association, ASIFMA, HKEx, and others during crises

RFP & PROJECT TIMELINES

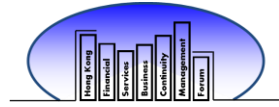
The RfP timelines is as follows:

RfP Issuance	December 2019
Last day of questions by potential vendors	31 January 2019
Bidders intent on submitting a proposal	31 January 2019
Proposals submission deadline	28 February 2019
Selection of Top Bidders / Notification of unsuccessful bidders	15 March 2019
Presentations by shortlisted bidders and contract negotiations	15 March 2019 – 15 April 2019
Contract Award / Notification to unsuccessful bidders	30 April 2019
WISE2019 Exercise Date	TBA: Late October – early November 2019

BUDGET

The vendor is expected to include a budget in the Proposal based on the below factors:

- The exercise must be run on a cash-neutral basis. Estimated participation fees must cover all expenses including vendor fees and HKFSBCM overhead.
- Vendor is responsible for budgeting the revenues (participant's times fee, plus sponsor fees)
- Vendor proposal should include statement on how to prevent or cover deficit and financial liability.
- Last year's participation fee was HKD45,000 per institution, of which HKD5,000 was HKFSBCM overhead.



EVALUATION FACTORS

HKFSBCM will rate proposals based on the following factors:

1. Cost, including an assessment of total cost of ownership
2. Responsiveness to the requirements set forth in this RfP
3. Relevant past performance / experience
4. Samples of work
5. Technical Expertise / experience of the bidder and bidder's staff

We reserve the right to award to the bidder that presents the best value to the HKFSBCM as determined solely by the HKFSBCM board in its absolute discretion.