

Guiding Principles of the RFP

In creating the CAT pursuant to Rule 613, the SROs have developed the following Guiding Principles, as noted in the RFP:

- o The CAT must meet the specific requirements of Rule 613 and achieve the primary goal of creating a single, comprehensive audit trail to enhance regulators' ability to surveil the U.S. markets effectively and efficiently
- o The reporting requirements and technology infrastructure developed must be adaptable to changing market structures and reflective of trading practices, as well as scalable to increasing market volumes
- o The costs of developing, implementing and operating the CAT should be minimized to the extent possible. To this end, existing reporting structures and technology interfaces will be utilized where practical
- o Industry input is a critical component in the creation of the CAT. The SROs will consider industry feedback before decisions are made with regard to reporting requirements and cost allocation models

Bidders Evaluation Framework

The following framework has been developed by the SROs to assist in the evaluation of the bids on the CAT RFP.

Evaluation Criteria

The following considerations to be used in evaluating bids are drawn in main from the Evaluation Criteria and Guiding Principles in the CAT RFP document. SROs will apply the Bidder Qualifications Criteria to the Primary Bidders and Subcontractors. SROs will apply the Bid Presentation Criteria and Bid Solution Criteria to the relevant elements of the RFP Matrix. Each SRO may weigh these considerations differently and may apply additional considerations. Further, and unless otherwise stated, there is no relation in the information set forth in this Bidders Evaluation Framework and RFP Matrix, and their evaluation priority or weighting.

Bidder Qualifications Criteria

- o The Bidder and its key personnel have experience and expertise with and knowledge of securities markets, in addition to order and execution practices.
- o The Bidder and its key personnel have experience and expertise with processing large volumes of complex data.
- o The Bidder has the ability to clearly and effectively communicate CAT reporting requirements to business, regulatory and technology constituents.
- o The Bidder has the financial strength and resources to execute its Bid.
- o The Bidder has the ability to deliver proven and robust solutions for maintaining data security.
- o The Bidder has the ability to identify information/data needed to support regulation of new trading practices, market structure changes, and new SEC and SRO rules as they evolve.
- o The Bidder has the ability to expertly, efficiently and effectively establish and manage operational, technology, financial, human resource, compliance and legal business functions, among others.

Bid Presentation Criteria

- o The Bid explains the proposed solution and includes supporting details.
- o The Bid provides reasonable assumptions supporting the proposed solution.
- o The Bid provides relevant examples that elaborate on key aspects of the solution.

Bid Solution Criteria

- o The Bid solution has effective architecture, design and technical approach(es).
- o The Bid solution is adaptable to meet future demands of the CAT.
- o The Bid solution is scalable to adapt to changes and growth of the CAT, and of market volumes, in a timely, efficient and cost-effective manner.
- o The Bid solution minimizes the expected system build, maintenance and operational costs where possible.
- o The Bid solution minimizes the expected CAT business and administrative costs where possible.
- o The Bid solution uses existing reporting structures and technology interfaces where practical.
- o The Bid solution applies development, integration and quality assurance practices and approaches that demonstrate the ability to implement a complete systems and software development lifecycle.
- o The Bid solution has system and business contingency plans (e.g., comprehensive disaster recovery) .
- o The Bid solution mitigates/lessens the impact of the solution on the industry.
- o The Bid solution is achievable within the proposed timeframes.

RFP Matrix

The RFP Matrix on the following page aligns with the RFP requirements.

RFP Matrix

Area	Components	
Operations – Technical (Processing Capability)	Customer and Account Information	
		Customer and account database
		Customer information confidentiality and security
	Order Life Cycle Assembly	
		Order life cycle linkage approach
	Data Validation	
	Data validation process	
Technical	Central Repository	
		Capability to process large volumes of complex data
		Data feed management
		Issue symbols validation and processing
		Capacity and throughput performance
	System Architecture and Design	
		Technical architecture
		Security of data feeds
		Security of personally identifiable information (PII)
		Security of data access
		Data access tools
	System Availability, Disaster Recovery and Business Continuity Plans	
		System availability
		Disaster recovery
		Business continuity plans
Operations – Non-Technical (Administrative)	Project Management Capability	
		Program management
		Project management structure
		Project management process
		Change management
		Industry Testing
		Quality Assurance
	Operations	
		CAT support functions
		CAT Compliance function
	Business Functionality	
		Business administration
		Reporting and oversight
	Finance	
	Legal	
	General support functions	
Company Information	Company Information	
		Company profile
		Experience and skills
		Company financial information
		Staffing
		Subcontractors
		Client overview
	Offshoring	
Contracts and Terms	Contracts and Terms	
		Contractual proposal
		Commercial terms
	Conflict of interest	