



CONFIDENTIAL

REQUEST FOR PROPOSAL (RFP)

For

*Appointment of Consultant for Implementation of Enterprise Wide
Integrated Risk Management*

Risk Management Department

Corporate Office, 254-260 Avvai Shanmugam Salai,

Royapettah, Chennai – 600 014

Ph:044-28134050,28134326

Website: www.indianbank.in

Tender No: CO: RMD: 001:2013-14 DATED: 23.10.2013



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Risk Management Department

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Date of Commencement of issue of RFP	23/10/2013
Date of Pre Bid Meeting	30/10/2013 at 11 am at Corporate Office
Last Date of receipt of RFP	18/11/2013 up to 3.00 pm at Corporate Office
Opening of Technical bid	18/11/2013 at 4.00 pm at Corporate Office
Fees for RFP document(non refundable)	Rs. 10000/- (Rupees ten thousand only)
Fees in the form of demand draft issued by a scheduled commercial bank favoring 'Indian Bank' Payable at Chennai	
Ernest Money Deposit (Bid Security)	Rs. 5.00 Lakhs (Rupees Five Lakhs only)
EMD in the form of demand draft issued by a scheduled commercial bank favoring 'Indian Bank' Payable at Chennai	

NOTE:

1. In case of RFP document downloaded from the bank's website www.indianbank.in, fees must be deposited along with the Technical Offer.
2. Any offer without payment of RFP fee & bid security will not be considered.

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Overview:

Indian Bank is one of the leading Public Sector Banks in India with international presence. It has a network of over 2100 branches . At the end of June 2013, the Bank had a total business mix of Rs. 258795 Crs.

The Bank has the following subsidiaries and group entities:

1. Ind Bank Merchant Banking
2. Ind Bank Housing
3. Regional Rural Banks

The Bank has devised risk management policies and also has a framework for making Pillar 3 disclosures as prescribed by the RBI under basic approaches. Currently, as per directives of the RBI, the Bank has adopted Basic Approaches i.e. Standardized Approach for Credit Risk, Modified Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk

Objective:

Implementation of Enterprise-wide Integrated Risk Management architecture compliant with the regulatory requirements and the Advanced Approaches of risk management including BASEL II/III guidelines.

The scope of work in respect of Integrated Risk Management has been outlined in ***Annexure.1***

1. Letter of invitation:

- 1.1. Indian Bank intends to engage suitable consultant for developing and implementing Integrated Risk Management Framework and selection / implementation of related software solution which is in tune with the guidelines of Basel II/Basel III (including enhancements) & RBI and also as per the best Banking Practices. This is to be implemented across all its units / departments/subsidiaries and groups of the Bank.
- 1.2. RFP document can be purchased against payment of non refundable fee of Rs.10000/- (Rupees ten thousand only) in the form of a demand draft issued by a Scheduled Commercial Bank favouring Indian Bank, payable at Chennai at the following address:

Indian Bank,
Corporate Office,
Risk Management Dept, (2nd Floor),
254-260 Avvai Shanmugam Salai
Chennai - 600014.

- 1.3. Alternatively, the RFP document can be downloaded from the Bank's website www.indianbank.in. However, the bidder will have to pay along with the Technical Bid (in a separate cover), a non-refundable fee of Rs.10000/-(Rs.Ten thousand only) in the form of a demand draft issued by a Scheduled Commercial Bank favouring Indian Bank, payable at Chennai.

2. Invitation for bids:

- 2.1. Bank invites sealed bids from eligible Private / Public Ltd Companies / Public undertaking / partnership Firms for assignment of Consultancy work on integrated risk management framework in line with Basel II norms and RBI guidelines.
- 2.2. The purpose of this RFP is to invite techno-commercial bids from Private / Public Ltd Companies / Public undertaking /partnership firms, for the scope of services as outlined in the Annexure 1 of this document.



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2.3. Schedule of bid collection and submission:

Bid reference number	CO:RMD:001:2013-14 Dated 23/10/2013
Bid Security	Rs. 5 lakhs (Rupees Five lakhs only)
Date of commencement of sale of bid document	23/10/2013
Pre bid Meeting:	30/10/2013
Last date and time for receipt of tender offers: 18/11/2013 up to 3.00 p.m.	
Time and date of opening of Technical bids : 18/11/2013 at 4.00 p.m.	
Place of receiving & opening bids and address for communication	Indian Bank, Corporate Office 254-260,Avvai Shanmugam Salai, Risk Management Dept, (2 nd Floor), Royapettah Chennai 600014.
Contact person/s telephone numbers: 1. Mr. V Radhakrishnan Deputy General Manager/DH, Risk Management Dept. Ph:044-28134050 Mail id: riskman@indianbank.co.in	2. Mr. Manish Kumar Chief Manager, Indian Bank Risk management Dept. Ph. 044-28134326. Mail id: alm@indianbank.co.in

2.4. Bidders can depute their representatives to attend the bid opening. No separate intimation will be given in this regard to the bidders for deputing their representatives.

2.4.1 No joint bidding is allowed.

2.4.2 The issuance of this RFP document is merely an invitation to bid and must not be construed as any agreement or contract or arrangement nor would it be construed as material for any investigation or review to be carried out by a bidder. The Bidder unconditionally acknowledges by submitting response to this RFP document that bidder has not relied on any idea, information, statement, representation, or warranty given outside this RFP document.

2.4.3 Bidders have to bid for the entire assignment (defined under Scope of Services under Annexure 1) comprehensively, i.e. for upgradation of existing risk management systems & processes and implementing Advanced Approaches compliant with the Basel II guidelines for enterprise wide integrated risk management. Partial bids i.e. for only Credit Risk or Operational Risk etc. will not be considered for evaluation and will be rejected outright.

2.5. Bid security (EMD):

2.5.1 Bid security of rupees five lakhs in the form of a Demand Draft favoring "Indian Bank", payable at Chennai (issued by a Scheduled Commercial Bank) to be submitted along with the bid offer. The Consultant who is selected has to tender fresh Performance security equivalent to 5% of the contract amount for the validity period of the contract plus 60 days

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- 2.5.2 The bid security must be submitted along with the technical offer. In the event of non-submission of the bid-security money of Rs.5,00,000 (Rupees five lakhs only) in the form of DD, the proposal will be rejected.
- 2.5.3 The bid security will be refunded to the unsuccessful bidders only after completion of the bid process.
- 2.5.4 No interest will be payable on the bid security amount.
- 2.5.5 Selected Consultant will be required to furnish a Performance security in the form of a Bank guarantee equivalent to 5% of the contract amount for the successful completion of the assignment as per agreed terms as mentioned in para No. 2.5.1.
- 2.5.6 The Earnest Money Deposit shall be forfeited:
- i) If a Bidder withdraws his bid during the bid validity period specified in this document; and/or
 - ii) If the successful Bidder fails to sign the consultancy agreement or furnish performance Bank guarantee/security deposit and other guarantee(s)/security in the form and manner to the satisfaction of Bank within 7 days of communicating the selection of the bidder, as mentioned in the RFP.
- 2.5.7 **Non Disclosure Agreement:** Selected Consultant will have to give an undertaking to maintain the confidentiality of the information / documents obtained by them during the course of the implementation of assignment and after completion of the project (**annexure 2**).

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2.6. Eligibility criteria:

SI No	Eligibility criteria	Details of Proof
1	Should be in existence for at least five years as on 30 th June 2013 (in case of mergers/ acquisitions/ restructuring or name change, the date of establishment of earlier / original partnership firm/ limited company can be taken into consideration). They should have an office in India. Office in Chennai is desirable.	<p>For Companies: Copy of: Annual Report, Certification of Incorporation Certification of commencement of business along with a certified copy of Board resolution authorizing the representative to submit the response to the RFP should be submitted.</p> <p>For Partnership firms: In case of partnership firms copy of partnership deed along with latest audited financial statement. Authorization letter signed by all partners authorizing one or more of the partners to submit the response to the RFP is to be submitted. Copy of the Certificate of Registration is to be submitted.</p>
2	Should have a minimum turnover of at least Rs. 10 crores per annum in the past two years from its Indian operations and should have made profits at least for 2 years in the last 3 years.	Copy of : Annual report Audited Annual balance sheets, P&L A/c, and IT Returns
3	Should not be implementers / solution providers of any of the applications pertaining to Risk Management. Any consulting firm having its own solution for Risk Management is not eligible in order to avoid conflict of interest	Self declaration.
4	The bidding Company/firm/has to give details if the bidding organisation or any of its subsidiaries or group companies or holding companies, etc, operating in India or abroad has been blacklisted / barred / disqualified by any regulator / statutory body/ any bank including our bank . The bidder will submit a declaration specifying that the bidder has obtained all necessary statutory and obligatory permissions, if any, to carry out the consultancy work. Details of pending disputes, court cases if any by / against the bidder.	Self declaration.
5	Should have won project for performing consultancy service in Integrated Risk Management for atleast one Public /Private Sector Bank having network of 1000 or more branches, during the last five years.	Copies of the credential letter from the Bank / consulting experience need to be furnished along with the response.

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6	Should have atleast 25 professionals with qualifications of Software Engineer/Mtech/ MCA/ CA/MBA/FRM/PRM/ Statistician/ CPA specialist permanently employed by them with experience of minimum 2 years in the relevant fields.	List of the professionals with details of qualification, experience, permanent roll number of the organization.
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The details of eligibility criteria are to be given as per **Annexure 3**.

Reference site visit details to be given in **Annexure 4**.

Bid offer covering letter and particulars of the bidder to be given in **Annexure 5 & Annexure 6**.

2.7. Terms of execution of work:

2.7.1. Being consultancy work where the skills of the individual are significant, the profile of the consulting team leader and the members should be informed to the Bank at the time of the Bid as per details in Annexure 12. In case of change in the team, Bank has a right to terminate the agreement as a material change in the terms of contract and invoke penal provisions.

2.7.2. Time being an essential feature of the contract, the bidder is expected to swiftly guide the Bank and ensure that integrated Risk Management initiatives are successfully established and made functional to meet the corporate objectives.

2.7.3. The contract will be for a period of 24 months. It is expected that all the tasks mentioned within the scope of work are to be completed in the time. Depending up on requirement, bank may at its discretion allow extension of the period at no extra cost

For the purpose of contractual agreement the period of assignment will be construed as extending up to the time till RBI approval for migration to Advanced Approaches, is in place for the Bank

2.7.4. If the Consultant fails to complete the assignment as per the time lines prescribed including the extension if any permitted by the bank, it will be treated as breach of contract. In such case the consultants will have to pay the liquidated damage to the extent of 0.50% of consultancy fee per week or part thereof, of delay and subject to a maximum of 5% of the consultancy fee.

2.7.5. Consultant must provide professional, objective and impartial advice at all times and hold the Bank's interest paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests.

2.7.6. The selected Consultant will not be eligible for participation in the tendering, supply of equipments, solution / hardware and software of the proposed assignment.

2.8. Bid security deposit DD must accompany the bid offers as specified in this bid document. Bid security deposit should not be mixed with Commercial bid. It should be in a separate cover to be handed over to the Risk Management Department, at Bank's Corporate Office, Chennai.

2.9. Bid offers will be opened in the presence of the bidder's authorized representatives who choose to attend the opening of Bid on the above specified date, time and place.

2.10. Technical specifications, terms and conditions and various formats and pro-forma for submitting the bid offer are described in this bid document and Annexure.



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2.11. The clarifications/interpretations given by the Bank on bid process/documents will be final.

2.12. Two-bid system:

2.12.1. Technical bid and Commercial bid must be submitted at the **same time in separate sealed envelopes**, giving full particulars at the Bank's address given below, on or before the schedule given above.

2.13. All envelopes should be securely sealed and stamped. Bank's address:

**Assistant General Manager,
Premises & expenditure Dept, 1st floor A wing,
Indian Bank, Corporate Office
254-260, Avvai Shanmugam Salai, Royapettah, Chennai 600014**

2.13.1. All the envelopes must be super scribed with the following information:

Name of the bid: Consultants for Integrated Risk Management.

Type of bid (Technical or Commercial)

Name of Bidder:

Name of Authorized Representative:

The two outer envelope for each bid marked as ORIGINAL BID and COPY BID should be duly marked as " DO NOT OPEN BEFORE -----".

2.13.2. Envelope -1 (Technical bid / Offer (TO)):

The Technical bid should be complete in all respects and contain all required information sought for, except the price. The Technical bid should include all particulars sought for in the 'eligibility criteria for bidders' as provided in the RFP. Adequate documentary evidence should be provided for each of the eligibility criteria. Any reference to price in Technical Bid shall amount to disqualification.

2.13.3. It is mandatory to submit the technical details as per Annexure 3. The Bank at its discretion, may not evaluate a Technical Bid in case of non-submission or partial submission of technical details.

2.13.4. The Technical Bid must be submitted in an organized and structured manner. No brochures and leaflets etc should be submitted in loose form.

2.13.5. The Technical Bid should comprise the following:

2.13.5.1. Covering letter on the prescribed format (**Annexure 7**).

2.13.5.2. Eligibility criteria complete with all the columns filled in and signed (**Annexure 3**).

2.13.5.3. Reference site details (**Annexure 4**) duly filled in with photocopies of required certificates/documents/proof should be attached.

2.13.5.4. Documentation (product brochures, leaflets, manuals etc).

2.13.5.5. Bid security of **Rupees five lakhs**, in the form of a Demand Draft issued by a Scheduled Commercial Bank favoring Indian Bank,

2.13.5.6. In case, RFP document is not purchased from the Bank but downloaded from the website,



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a demand draft of Rs.10000/-- issued by a Scheduled Commercial Bank favoring "Indian Bank, payable at Chennai, should be deposited before submission of the offer. This is non refundable and in case of non-payment, offers will not be opened/considered.

2.13.5.7. Should provide the details and work plan covering all the five phases mentioned in Annexure I.

2.13.6. Envelope -II (Commercial bid / Offer (CO):

2.13.6.1. The Commercial bid should give all relevant price information (prices only in Indian rupees) and the charges/fees quoted should be exclusive of applicable taxes and inclusive of all out of pocket expenses. The applicable taxes should be shown separately.

2.13.6.2. The Commercial bid should not contradict the technical bid in any manner.

2.13.6.3. The Commercial bid shall be on a fixed price basis for the entire scope of work. No upward revision in the price would be considered

2.13.6.4. It is mandatory to submit the Commercial Bid in the prescribed Performa (Annexure 9) duly filled in along with covering letter (**Annexure 8**), along with the offer. The Bank, at its discretion, may not evaluate a CO in case of non-submission or partial submission of Commercial Offer.

2.13.6.5. Please note that if any envelope is found to contain both Technical and Commercial bid, then, that offer will be rejected outright.

2.14. The envelope containing Technical Bid and Commercial Bid should be dropped in the bid box at:

**Assistant General Manager,
Premises & Expenditure Dept, 1st floor A wing,
Indian Bank, Corporate Office
Avvai Shanmugam Salai, Royapettah,
Chennai - 600014.**

2.15. The envelope for Commercial Bid to contain only (**Annexure 9**) and covering letter for Commercial Bid (Annexure 8). All other documents/Annexure forms part of Technical Offer.

3. Terms and conditions:

3.1. Terms and conditions for bidders who participate in the bid are specified in the RFP document and in annexure to the RFP document. These terms and conditions will be binding on all the bidders and will also form a part of the contract, to be awarded to the successful bidder on the outcome of the bid process.

3.2. Non transferable bid:

3.2.1. This bid document is not transferable. Only the bidder, who has purchased this bid form, is entitled to quote and to execute the job, if allotted. There will not be any type of outsourcing.

3.3. The bidder should also submit an undertaking to the effect that they have not made any modification in the original copy of RFP and his bid would be liable for rejection for any violation of the above.

3.4. Offer validity period and pricing:

3.4.1. The offer should hold good for a period of 180 days from the last date of submission.



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3.4.2. The best and firm price should only be quoted. Escalation in price quoted is not permitted for any reason whatsoever. Prices quoted must be firm till complete execution of contract.

3.5. The Bank reserves the right to accept or reject in part or full any or all the proposals without assigning any reasons thereof and without incurring any liability to the respondents / bidders.

3.6. The Bank reserve the right to cancel any bid in case if it is found at a later date that the details furnished by the bidder are false and also to take action against such bidders for any damages that may be caused to the Bank.

3.7. The Bank will have the liberty, to short list/ select suitable Consultant who meet the Bank's requirements, from the responses received.

3.8. Any amendment to this RFP will only be hosted in Bank's website.

3.9 The offers containing erasers or alterations requires signature of Authorized officials considered. There should be no hand written material corrections or alterations in the offer. Technical details must be completely filled up. Correct technical information of the product being offered must be filled in. Filling up of the information using terms such as OK, ACCEPTED, NOTED, AS GIVEN IN BROCHURE/MANUAL is not acceptable. The Bank may treat offers not adhering to these guidelines as unacceptable.

4. Addresses for communication;

The Deputy General Manager/DH,
Risk Management Dept, 2nd Floor,
Indian Bank, Corporate Office
254-260,Avvai Shanmugam Salai, Royapettah, Chennai 600014.

5. General evaluation of bids submitted;

5.1. The Bank will scrutinize the bids, to determine whether they are complete, whether any errors have been made in the offer, whether required technical documents have been properly furnished and signed, and whether the bids are generally in order. The Bank reserves the right to reject any bid not conforming to the requirements.

5.2. Prior to the detailed evaluation, the Bank will determine the substantial responsiveness of each bid to the bidding documents. For the purpose of these clauses, a substantially responsive bid is one which conforms to all the terms and conditions of the RFP without material deviations.

5.3. The Bank may, at its sole discretion, waive any minor infirmity, non-conformity, or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder.

5.4. During evaluation of the bids, the Bank may, at its discretion seek clarification from the bidder. The request for clarification and the response shall be in writing /email and no change in the prices of substance of the bid shall be sought, offered, or permitted.

6. Technical evaluation: Technical evaluation will be considered on the basis of the following:

6.1. Bid eligibility criteria mentioned in the RFP.



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- 6.2. Bid terms and conditions and scope of the RFP.
- 6.3. Bidder's experience of implementing similar framework in other Banks- domestic & international.
- 6.4. Bidder's capability to deploy sufficient number of team members with qualification and experience of project implementation team.
- 6.5. Adequacy of deliverables (whether proposed framework is suitable to meet Bank's requirement.)
- 6.6. Modularity of the framework proposed in the bid.
- 6.7. Feedback from reference site.
- 6.8. Bidder having obtained minimum marks as per the evaluation matrix.

7. Evaluation approach:

- 7.1. Eligibility Criteria
- 7.2. RFP evaluation
- 7.3. Presentation by Consultant
- 7.4. Reference site visit/offsite feedback

8. RFP evaluation:

- 8.1. Any award to be made pursuant to this RFP will be based on the proposal with appropriate consideration given to the Consultants providing tangible benefits to the Bank in addition to complying with Integrated Risk Management framework. Consultants are invited to propose their detailed integrated Risk Management framework, methodology, project approach etc

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9. The Breakup for overall Technical evaluation criteria is as follows:

Sl. No	Major areas	Marks
1	<i>Experience: Maximum Marks</i>	15
1.1	Experience of the consultant in risk management	
a	having experience in risk management consultancy services-above 10 years	4
b	having experience in risk management consultancy services- above 7 years & upto 10 years	3
c	having experience in risk management consultancy services - above 5 years & upto 7 years	2
1.2	Risk Management Consultancy assignment handled in Indian banks	
a	4 and above assignments handled successfully on risk management consultancy	4
b	3 assignments handled successfully on risk management consultancy services	3
c	2 assignments handled successfully on risk management consultancy services	2
d	1 assignment handled successfully on risk management consultancy services	1
1.3	Turnover from operations	
a	Turnover from operations - above Rs.20 Crs p.a. (financial year or calendar year as	4
b	Turnover from operations - above Rs.15 Crs & upto Rs.20 Crs (financial year or	3
c	Turnover from operations - Rs. 10 Crs & above and upto Rs.15 Crs (financial year or	2
1.4	No of professionals with the qualification	
a	More than 30	3
b	Between 25 & 30	2
c	25	1
2	<i>RFP evaluation: Maximum Marks</i>	55
2.1	Case Studies offered for the proposed assignment	10
2.2	Approach and Methodology for executing the assignment	
a	Credit Risk w/w Basel II IRB-5, credit analytics-2 and RWA computation-3	10
b	Operational Risk w/w Revision of ORM Policy-1 RCSA framework-2 KRI framework-2 Loss event management framework-2 Capital calculation for AMA-2 OR loss data modeling framework-1	10
c	Market Risk w/w Gap analysis- 1 Review and validation of VaR model-3 Framework for improved technical analysis/monitoring/reporting framework-2	6
d	ALM w/w Enhancement in ALM framework- 2 Product pricing framework-1	3
e	Others (Pillar 2, residual risks. Pillar 3 aspects, etc) w/w Review/ improvement in ICAAP framework-2 Evaluation, measurement and management framework for Pillar 2 risk-1 Review of stress testing framework-2 Review of disclosure standards under Pillar-3-1	6

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Sl. No	Major areas	Marks
2.3	The Project leader experience	
a	having work experience in risk management functions above 10 Years	5
b	having work experience in risk management functions- 7 years & above and upto	4
c	having work experience in risk management functions- 5 years & above and upto 7	3
d	having work experience in risk management functions less than 5 years	2
2.4	Technical skills of the team members	
a	Excellent- handled more than five projects in Risk Management.	5
b	Very Good- handled 3 to 5 projects.	4
c	Good- handled 2 projects.	3
d	Average- handled one project.	2
3	Presentation by consultant : Maximum Marks	10
	(Scores will be done on the scale of - Below Average - 25%, Average - 50%, above average - 75%, Excellent -100%).	
3.1	Project execution methodology, contents, planning, design and time frame as per all fives phases defined in Annexure 1	10
4	Reference site visit / off-site feedback: Maximum Marks	20
	Satisfactory report from the organization where consultancy was provided to a Bank (Reference site) (Scores against each criteria will be done on the scale of - Below Average -25%, Average - 50%, above average - 75%, Excellent -100%).	
4.1	Whether objectives of engaging the Consultant are met fully	5
4.2	Adhering to time line of consultancy and final selection of solution	5
4.3	Whether they are satisfied with the team support	5
4.4	Post implementation support by Consultant	5
	Total	100

9.1. Evaluation of Technical bids:

Initially only the 'Technical Bids' will be opened and evaluated. All technical bids will be evaluated and a technical score would be arrived at. The bidder scoring the highest technical score will be ranked as T1. The bidders shall be categorized in the following two bands:

Band 1: Bidders with technical scores of 80 percent and above of the score of T1.

Band 2: Bidders with technical scores more than 70 percent but less than 80 percent of the score of T1.

The Relative Technical Score (RTS) for the Bidders will be calculated based on the following basis:

$$RTS_x = T_x / T_1 * 100$$

Where,

RTS_x: Relative Technical Score of each Bidder



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T_x: Technical Score of the current proposal

T₁: Technical Score of the Bidder with Highest Technical Score

Up to 2 decimal values will be considered for the score.

Bidders in Band 1 shall be considered to have technically qualified. Such bidders shall progress to the commercial evaluation stage.

If only one bidder qualifies in Band 1, Bank shall qualify all the bidders in Band 2.

If no bidder qualifies in Band 2, Bank reserves the right to consider the bidder with the next highest technical score.

10. Commercial evaluation:

10.1. Total cost of consultancy shall include all consultancy charges quoted in the bid.

10.2. The commercials of those consultants who have cleared technical stage shall be opened.

10.3. The Commercial Bids will be opened and the Bidder having the "Least Price" will be invited for negotiations. The computation of "Least Price" is explained in the following paragraph.

10.4. Methodology for calculating "Least Price"

10.5. The Bank will give 70% weight to the technical evaluation score and 30% weight to the commercial evaluation while computing the "Least Price". The formula for Score (S) is given below:

$$S \text{ bid} = C \text{ low} / C \text{ bid} * 0.30 + T \text{ bid} / T \text{ high} * 0.70$$

Where S bid = Final Score for Price

C low = Lowest quote for commercial bid among all bidders

C bid = Quote for commercial bid of bidder

T bid = Technical Evaluation score of the bidder

T high = Highest Technical evaluation score among all bidders.

10.6. Bank has the right to reject any or all Bids at any stage without assigning any reasons and without any liability for any cost or expenses incurred by the Bidder. The discretion of the Bank is absolute without any restrictions.

10.7 Tentative Time table for evaluation and selection of consultant is as per **Annexure 11**.

11. Price composition:

11.1. The charges / fees quoted should be only in Indian rupees.

11.2. The charges / fees shall be on a fixed price basis and should not be linked to the Foreign Exchange.

11.3. The charges/fees quoted should be inclusive of all out of pocket expenses and exclusive of applicable taxes.



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11.4. The Total Cost to Company (CTC) should include the entire components mentioned commercial bid format

12. Payment terms:

12.1 The consultant shall cover the entire scope of assignment mentioned in **Annexure – I** and submit the deliverables / documents after completion of each phase.

12.2 The payment for the entire assignment will be divided into five phases:

1. After completion of Phase I : 10% of the agreed price
2. After completion of Phase II : 15% of the agreed price
3. After completion of Phase III : 25% of the agreed price
4. After completion of Phase IV : 25% of the agreed price
5. After completion of Phase V : 25% of the agreed price

13. Other terms:

13.1. The Successful bidder to enter into the agreement for the services in the form acceptable to the Bank.

13.2. Title to the copy right/IPR pertaining to the integrated risk management activities prepared by the selected consultant shall be that of the Bank and the Consultant should not have any right over the same.

14. Order cancellation and liquidated damages:

14.1. In case of unforeseen circumstances, remedial measures are to be worked out to continue and complete the task assigned.

14.2. If the consultant fails to complete the assignment as per the time lines prescribed in the RFP, and the extensions, if any, allowed, it will be breach of contract.

14.3. The consultant is required to renew the Bank Guarantee submitted for performance security till the completion of the assignment as decided by the Bank. If the Consultant fails to renew the Bank Guarantee it will be treated as breach of contract and, the bank may decide to invoke the guarantee.

14.4. In case of such breach of contracts Bank may cancel the order and claim liquidated damages as per para 2.7.4 in addition to forfeiture of Bid Security Amount.

15. Verification:

15.1. All contents in the proposal should be stated clearly and accurately. Failure to demonstrate the eligibility as indicated in the RFP will cause immediate disqualification from the bid.

16. Documentation:

16.1. All work related to the scope are to be well documented and are forming the part of deliverables.

16.2. It should be properly numbered and delivered both as soft and hard copy at the end of the each phase.



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17. Disputes jurisdiction: Notwithstanding anything contained herein above, in case of any dispute, claim and legal action arising out of this RFP, the parties shall be subject to the jurisdiction of courts at Chennai, India only.

18. Right To Reject Bids

The Bank reserves the absolute and unconditional right to reject the bid if it is not in accordance with RFP terms and conditions and no correspondence shall be entertained by the Bank in the matter. The bid is liable to be rejected if:

- It is not in conformity with the instructions mentioned in the RFP document including its annexures.
- It is not accompanied by the requisite bid document price & EMD.
- It is not properly/duly signed.
- It is received through any mode other than the prescribed mode.
- It is received after expiry of the due date and time.
- It is incomplete including non-furnishing the required documents.
- It is evasive or contains incorrect information.
- There is canvassing/ lobbying/influence/query regarding short listing, status etc of any kind.

19. Work Space Required For Carrying Out Activities:

The persons identified by the selected bidder for the project should carry out their activities from the Bank's Corporate Office, Chennai or any other suitable location as provided by the Bank.

20. Indemnity:

The selected bidder shall indemnify the Bank and keep indemnified the Bank for any loss or damage, cost or consequences that the Bank may sustain, suffer or incur on account of violation of any Intellectual Property Rights including patent, trademarks, etc. by the bidder. The bidder shall always remain liable to the Bank for any Losses suffered by the Bank due to any technical error or negligence or fault on the part of the bidder. The bidder agrees to indemnify and keep indemnified the Bank against all losses, damages, costs, charges and expenses incurred or suffered by the Bank due to or on account of any breach of the terms and conditions contained in the RFP/ Documents.

21. Uncontrollable circumstances (Force Majeure):

The selected bidder or the Bank is not responsible for delays or nonperformance of any contractual obligations, caused by war, blockage, revolutions, insurrection, civil commotion, riots, mobilizations, strikes, blockade, acts of god, plague or other epidemics, fire, flood, obstructions of navigation by ice of port of dispatch, acts of Govt. or public enemy or any other event beyond the control of either party which directly, materially and adversely affect the performance of any contractual obligation provided that:

- a) The non performing party gives the other party prompt written notice describing the particulars of Force Majeure including, but not limited to, the nature of occurrence and its expected duration, and continues to furnish the timely reports with respect thereto during the period of Force Majeure;
- b) The excuse of performance is of no greater scope and of no longer duration than is required by the Force Majeure;
- c) No obligation of either party that arose before Force Majeure causing the excuse of performance are excused as a result of the Force Majeure; and



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d) The non-performing party uses its best efforts to remedy its inability to perform.

22. Closure of the Consultancy Project

The consultancy project shall be deemed to be closed when the selected bidder discharges all his obligations under the contract and carried out in all respects to the satisfaction of the Bank.

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Annexure 1

Scope of Assignment

No.	Requirements	Whether covered in the scope of assignment say Yes or No.	Remarks if any
1	Broad Objectives		
1.1	Bank wants to enhance / Strengthen existing Risk Management Systems, Policies, Procedures, Process, MIS, Analytics etc.		
1.2	Bank wants to migrate to the advanced approaches of Basel II for credit, market and operational risk as per RBI prescribed timelines.		
1.3	The Consultant needs to <ol style="list-style-type: none"> a) Assess the bank's preparedness and adequacy or otherwise of existing in terms of <ul style="list-style-type: none"> • Policies, • Procedures, • Risk IT infrastructure, • governance structure, • data quality and availability, • risk measurement methodologies, • risk mitigation strategies, • capital calculation methodologies, • reporting framework and disclosures made. • Other related areas. b) Suggest suitable modifications and improvements. c) Assist the Bank in submission of application to the Regulator for moving over to Advanced Approaches of Basel II under Credit Risk, Operational Risk and market risk. d) Assist the Bank in attending to regulator's queries, inspection, validation etc. to enable the Bank to obtain approval from the relevant authorities to migrate to advanced approaches in Risk Management 		
1.4	Bank wants the consultant to evaluate the various risk management solutions currently in use in the bank, assess the need for integration of the same for risk aggregation and suggest improvements for its business.		

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1.5	Evaluation of existing software and suggest upgradation to provide guidance for selection of solution provider and prepare an RFP for any new software solutions that need to be procured in the risk area.		
1.6	Review the implementation of software solution in all the risk areas before release of payment at each stage.		
1.7	Review & enhance existing ALM framework beyond regulatory reporting and assist in product pricing, balance sheet planning and management decision making.		
1.8	Identify and impart the training needs and methodologies for enhancing employee skill sets for risk measurement, risk analytics and risk modeling.		
1.9	Review the existing compliance function in the bank, perform a gap analysis vis-a-vis RBI guidelines and industry best practices and suggest improvements.		
1.10	Review and enhancing the existing reporting system to the Top Management		
2	Credit Risk		
	Basel II IRB Approach		
2.1	Gap Analysis - Evaluate the preparedness for moving over to IRB approach, identify the gaps and suggest methods to bridge the gaps.		
2.2	Assist in ensuring compliance to minimum requirements for both FIRB & AIRB approaches.		
2.3	Review the data captured by the bank for estimation of key Basel-II parameters (PD- LGD- EAD-M) vis-a-vis Basel-II requirements. Guide and introduce a system for data capture where data is currently not captured.		
2.4	Grouping the asset portfolio of the Bank to various asset classes as prescribed by Basel-II, IRB approach.		
2.5	Map Asset Classes/Subclasses to Approach Type(Standardised/IRB, etc) by a defined rule as per Basel II/ RBI guidelines		
2.6	Suggest methods for identification of retail pool as per Basel II/RBI guidelines and assist the bank to segment its retail portfolio into homogenous pools that would differentiate default and help estimate PD, LGD, EAD for each pool.		

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<p>2.7</p> <p>2.8</p> <p>2.9</p> <p>2.10</p> <p>2.11</p> <p>2.12</p> <p>2.13</p> <p>2.14</p> <p>2.15</p> <p>2.16</p> <p>2.17</p> <p>2.18</p> <p>2.19</p> <p>2.20</p> <p>2.21</p>	<p>Portfolio modeling.</p> <ul style="list-style-type: none"> • Methodology for Back testing of retail scoring model • Development of new scoring models wherever required. <p>Estimation of PD, LGD , CCF and effective maturity (M) corresponding to each Rating class, Asset class and retail pool</p> <p>Assist for evolving the supervisory slotting criteria for specialized lending to facilitate mapping of the credit rating to supervisory slots</p> <p>Build PD, LGD and EAD predictor models and conduct stress testing on LGD and EAD</p> <p>Establish and introduce a system of validation and back testing. Assisting in formation of independent CRCU for the same and credit risk internal audit team.</p> <p>Framework /models for country risk exposure.</p> <p>Providing minimum credit standards for assessing all off- balance sheet exposures.</p> <p>Review the credit risk mitigation framework in the bank.</p> <p>Identify and suggest methods for credit risk mitigation under IRB approach.</p> <p>Evolve a methodology for computing haircuts, maturity mismatch, currency mismatch, etc.</p> <p>Identify the information requirements for the advanced approaches of all risk areas.</p> <p>Study the existing stress testing framework & suggest improvements to align with the regulatory/IRB suggested scenarios.</p> <p>Assisting in formulation of policies in line with FIRB/AIRB requirements</p> <p>Compliance to securitization requirements as indicated in Basel as and when Bank undertakes securitization deals.</p> <p>Since the Bank's internal rating model which is already validated by an outside agency, the consultant to assist bank in implementing the suggestion given by the agency and suggest any other improvement in addition to the report given by outside agency.</p>		
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2.22	Credit Analytics Create a framework and enable <ul style="list-style-type: none"> • Risk Modelling (PD-LGD-EAD-VAR) • Volatility and Correlation Computation 		
2.23	RWA computation Review the data captured currently for RWA computation vis-a-vis IRB requirements		
2.24	Review the existing solution scalability		
2.25	Suggest steps for scalability for capital computation under Advance approach/dynamic provisioning and guide in its implementation.		
3	Market Risk		
3.1	- Conduct a detailed gap analysis of the bank's (solo & consolidated) market risk management practices, procedures, policy, audit and systems vis-a-vis requirements under IMA. Preparation of Market Risk dossier MR file.		
3.2	- Review & validation of VaR model in terms of Guidelines and best practices This covers entire scope of VaR i.e. <ul style="list-style-type: none"> • Selection of model • Adequacy & accuracy of the model/ software • Back testing • Stress tests • Entire process of validation • Computation of portfolio VaR and risk aggregation • Stressed VaR • Obtaining approval from RBI to migrate to IMA. 		
3.3	- Suggest Improvements / modifications in the analysis and monitoring/reporting structure requirements of IMA.		
3.4	- Treatment & integration of specific and addition to VaR model		
3.5	- Help in deciding the parameters for limit setting Process		
3.6	- Suggest qualitative factor and Risk mitigants and how they can be		

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	incorporated into the Market Risk framework		
3.7	- Develop methodologies for risk reporting covering: Market Risk exposures, limit breaches, risk management and risk analysis.		
3.8	- Computation of capital charge including illiquid position on market risk and unhedged exposure as per RBI master circular- Prudential Guidelines		
3.9	- Assist in developing the system in such a way that the market risk capital charge under the IMA can be calculated at the close of business every day.		
3.10	- Validation of Mark to Market methodology for the Banks trading book including all the asset classes (Equity, Fixed Income and Forex) and Derivatives.		
3.11	- Validation of calculation methodology of various risk factors such as PV01 for interest rate risk, Greeks for option portfolio, Duration and convexity for fixed income instruments.		
3.12	- Develop methodology for Specific risk measurement for equity, fixed income and derivatives		
3.13	- Rating migration of issuers with respect to Non- SLR asset class.		
3.14	- Analysis of profits earned from merchant transactions in foreign exchange dealing.		
3.15	- Study the duration and modified Duration of SLR / Non SLR portfolio of investment in Treasury, modified duration for HFT,AFS and HTM		
3.16	- Systems and procedures for monitoring Regulatory Guidelines and various risks under all Derivative Products / off Balance Sheet items.		
3.17	- Establish a process of determination of stress scenarios based on underlying stress parameters.		
3.18	-Review the IT systems involved in the market risk management process and interface with the data structure from treasury IT systems.		
3.19	-Review the various data feeds required in market risk.		

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3.20	-Structure and design of database for Market Risk including specific scenario for stress test based on portfolio characteristics.		
3.21	- Define criteria for introduction of new products to portfolio.		
3.22	- Assist the bank in moving over to advanced approach in Market risk at solo and consolidated level.		
3.23	CVA for prescribed securities , investments and derivatives		
4	Operational Risk		
4.1	- Conduct a gap analysis of existing policies, processes, systems, data etc for operational risk vis-a-vis the requirements for advanced approaches		
4.2	- Suggest for improvement in the existing framework		
4.3	- Review and Refine the existing New Product approval system, process and reporting format		
4.4	- Develop framework for operational risk measurement for TSA&AMA		
4.5	- Develop KRI policy / methodology and proper reporting and monitoring structure for KRIs, methodology for its improvement		
4.6	- Develop RCSA Policy / methodology for business and business areas and implement the same, apart from its monitoring structure		
4.7	- Methodologies to integrate KRI, RCSA and Loss Data for capital charge estimation.		
4.8	- Asses bank's current methodology for measurement and management of ancillary risks such as: <ul style="list-style-type: none"> • People Risk • System Risk • Process Risk • Legal Risk • Outsourcing Risk • Fraud Risk • Risk in alternate delivery channels and payment and settlement systems etc. And suggest suitable modifications		

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4.9	- Develop policies / framework to conduct stress/scenario analysis/BE&ICF/ Root Cause Analysis/ Insurance/back testing and enable them.		
4.10	- Review the risk reporting mechanism and control/ mitigating strategies and suggest modifications.		
4.11	-Review & develop a framework for the operational risk assessment requirements of Group entities/subsidiaries/joint ventures/RRB's to comply with the regulations of the countries concerned.		
4.12	- To review the existing software solution for operational risk.		
4.13	- Capital Charge calculation and risk management solution and guide for its scalability and for implementation		
4.14	- Suggest ways to assess IT risk and IT related security		
4.15	- Suggest for measures to integrate the CBS database with ORM framework		
4.16	- Suggest methods for measuring and monitoring the risk of alternative delivery channels and payment system		
4.17	Loss event management framework: Development of a loss event management framework to capture analyze loss events, potential loss events & near-miss events. Framework shall include but not be limited to:		
4.18	-Review the existing data on OR loss and suggest modifications based on requirements of advanced approaches		
4.19	-To suggest the validation methods (both internal and external) for loss event Data/ Potential, near missed events, their management and to develop suitable system.		
4.20	Developing policies, procedures, methodology/ collection, scalability of external loss data		
4.21	Risk Based Audit - Review the framework for leveraging existing risk based audit machinery in ORM and integration of ORM and audit.		
4.22	-To suggest procedures for both internal and external audit of ORM framework and its functioning and also to develop a suitable system		

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4.23	-To suggest and develop an audit tool for said purpose		
4.24	<p align="center">Mapping System</p> - Review the existing system for mapping income & expenditure into different business lines and suggest improvements.		
5	Pillar 2 requirements		
5.1	-Evaluation of Bank's measurement and management strategy for Pillar-2 risks such as Credit Concentration risk, IRBB, Liquidity risk, Reputational Risk, Strategic risk etc and suggest suitable modifications.		
5.2	-Review the stress testing framework of the bank, suggest enhancements and enable creation of forward looking stress testing scenarios.		
5.3	-Assist and Enable back testing and scenario analysis		
5.4	- Existing ICAAP framework of the Bank which will be validated by an external agency, the consultant to assist bank in implementing the suggestions given by the agency and also suggest improvements/modifications over and above the same especially with respect to definition of risk appetite, assessment of material risks, computation of risk aggregation and arriving at diversification benefits.		
5.5	- Assist and enable economic capital computation.		
5.6	-Identify & Suggest various non-capital responses to all risk areas.		
5.7	-Suggest strategy for interpreting the results and action to be taken under Pillar 2.		
6	Pillar 3 - Disclosure aspects		
6.1	- Compliance to disclosure standards as per Advanced approaches of Basel II / RBI guidelines. - Evaluation of Pillar 3 disclosures made by the Bank and suggesting suitable modification.		
6.2	-Fine tune the disclosure policy and enable an environment for automating the process of generation of Pillar 3 disclosures.		
7	Capital planning & Capital Allocation:		
7.1	-Evaluation the capital planning process in the Bank and arrive at a holistic design for capital planning and budgeting based on the envisaged risk environment.		
7.2	- Method/ framework to compute credit VaR, Operation Risk VaR and Market Var. framework for allocation of capital and risk aggregation.		

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7.3	-Enable the Bank to move over to RAROC & EVA. Assist in risk return analysis and risk adjusted performance measurement at account level/ portfolio level/ each business unit level etc.		
7.4	-Bank plans to implement A Matched Fund Transfer Pricing Solution for profitability management Consultant to help the bank integrate risk and performance management which would help promote growth and profitability.		
7.5	-Consultant to help bank measure and meet risk-adjusted performance objectives, price products to reflect their true risk, and monitor possible threats to liquidity and capital adequacy.		
7.6	-Evaluate the risk MIS currently available and suggest enhancements.		
7.7	-Review the reporting mechanism and help in designing intuitive dashboards covering various risk areas.		
8	Risk management policies and processes:		
8.1	-Suggest ways to refine/ improve all existing risk management policies & processes.		
8.2	-suggest methods to develop reporting framework for all policies & software solution for implementing the same.		
8.3	- Framework of risk profiling of branches/ ROs/ ZOs & Bank as a whole covering all risk areas.		
9	Group consolidation:		
9.1	-Suggest framework for the group-related entities (subsidiaries, insurance, mutual funds, associated companies and investments) as per Basel II / RBI guidelines.		
10	Corporate governance structure:		
10.1	-Suggest suitable framework for corporate governance standards as per Basel II guidelines/ industry best practices.		
11	Compliance:		
11.1	-Review the existing compliance framework/ set up vis-à-vis regulatory/ statutory requirements and suggest modifications/ improvements, on par with industry standards.		
11.2	-Review the reporting mechanism and suggest modifications / improvements.		
11.3	-Assess the need for system and manpower support for compliance function.		
12	Training requirements:		
12.1	-Suggest training requirements for officers in risk managements across the bank.		

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12.2	-Specific training for enhancing skill sets for following: a) Validation of rating models b) Risk Modeling c) Quantitative Risk Analytics d) Measurement of non-quantifiable risk areas. e) Operational Risk Areas (RSCA, KRIs, Loss Data Managements, Scenario Analysis, AMA methodology etc) f) Market Risk and ALM.		
13	Strengthening of MIS :		
13.1	-Methods to improve the existing MIS through gap analysis and cover all risk areas.		
13.2	-Design dashboards for capturing various risk areas.		

The entire scope of the assignment is divided in 5 phases; the broader coverage of each phase is as follows:

Phase I: Identification of gaps in each of following areas of the banks and group as a whole, towards migration to advanced approach and assessing the time frame for implementation:

1. Credit Risk – towards migration to IRB approach.
2. Market Risk – towards migration to IMA approach.
3. Operation Risk – towards migration to TSA / AMA approach.
4. Review of Bank’s measurement and management strategy for Pillar- II risks.
5. Review of Bank’s existing risk management policies and process.
6. Review the existing MIS system including various statutory reporting to RBI by the bank.
7. Review the existing compliance framework vis a vis regulatory / statutory requirements.
8. Review of existing Pillar – III disclosures made by the bank as per the advanced approach of Basel II /III RBI guidelines.

Phase II:

1. Suggest methods / developing models to bridge the gaps identified in each of the areas in Phase I.
2. Preparation of RFP for procuring suitable software for market risk, ALM and FTP as per the requirements of advanced approach guidelines of RBI and assisting the bank in selection of the suitable software as per the response received for the RFP.

Phase III:

1. Implementation of the strategies / framework as per the suggestions given in phase II above, for each of the areas towards implementation of advanced approach for the bank and group as a whole.
2. Installation of the software for market risk, ALM and FTP.
3. Evaluation of capital planning process in the bank and arriving at a holistic design for capital planning and budgeting based on the envisaged risk environment.
4. Designing various policies and developing dash boards for capturing various risk areas.
5. Suggest training requirements for officers in risk management across the bank.



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Phase IV:

1. Monitoring the implementation of all strategies / framework / models / software as given in phase III.
2. Providing training on the various skill sets to officers of the bank.
3. Conducting back testing and validation of the models implemented.

Phase V:

1. Assisting the Bank in submission of application to RBI and attending to various queries of regulator till approval by RBI.
2. Approval of bank's application under Advanced approach for Credit risk, Market risk and operational risk by RBI.
3. Conduct of SREP by RBI and rectification of all deficiencies indicated by RBI during SREP



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Annexure 2

Non Disclosure Agreement

(Undertaking from the bidder on their company's letter head)

1. We (and our employees) shall not, unless Bank gives permission in writing, disclose any part or whole of this RFP document, of the proposal, and / or contract, or any specification, plan, drawing, pattern, sample or information furnished by the Bank (including the users), in connection therewith to any person other than a person employed by the bidder in the performance of the proposal and/or contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance. The employees or the third party engaged by us will maintain strict confidentiality during the contract period and after the expiry of contract.
2. We (and our employees and agents) shall not without prior written consent from the Bank make any use of any document or information given by the user, except for purposes of performing the contract award.
3. In case of breach, the Bank shall take such legal action as deemed fit.

Signature and seal of authorized person

Date:

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Annexure 3

Eligibility Criteria:

The bidder is required to meet the following eligibility criteria and provide adequate documentary evidence for each of the criteria stipulated below. (Only those bids satisfying all the eligibility criteria would be further processed)

Sl. No	Eligibility criteria	Details of Proof
1	Should be in existence for at least five years as on 30 th June 2013 (in case of mergers/ acquisitions/ restructuring or name change, the date of establishment of earlier / original partnership firm/ limited company can be taken into consideration). They should have an office in India. Office in Chennai is desirable.	<p>For Companies: Copy of: Annual Report, Certification of Incorporation Certification of commencement of business along with a certified copy of Board resolution authorizing the representative to submit the response to the RFP should be submitted.</p> <p>For Partnership firms: In case of partnership firms copy of partnership deed along with latest audited financial statement. Authorization letter signed by all partners authorizing one or more of the partners to submit the response to the RFP is to be submitted. Copy of the Certificate of Registration is to be submitted.</p>
2	Should have a minimum turnover of at least Rs. 10 crores per annum in the past two years from its Indian operations and should have made profits at least for 2 years in the last 3 years	Copy of : Annual report ,Audited Annual balance sheets , P&L A/c, and IT Returns
3	Should not be implementers / solution providers of any of the applications pertaining to Risk Management. Any consulting firm having its own solution for Risk Management is not eligible in order to avoid conflict of interest	Self declaration.

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4	The bidding Company/firm/has to give details if the bidding organization or any of its subsidiaries or group companies or holding companies, etc, operating in India or abroad has been blacklisted / barred / disqualified by any regulator / statutory body/ any bank including our bank . The bidder will submit a declaration specifying that the bidder has obtained all necessary statutory and obligatory permissions, if any, to carry out the consultancy work. Details of pending disputes, court cases if any by / against the bidder.	Self declaration.
5	Should have won project for performing consultancy service in Integrated Risk Management for atleast one Public /Private Sector Bank having network of 1000 or more branches, during the last five years.	Copies of the credential letter from the Bank / consulting experience need to be furnished along with the response.
5.	Should have atleast 25 professionals with qualifications of software engineer/ Mtech/ MCA/ CA/MBA/FRM/PRM/ Statistician/ CPA specialist permanently employed by them with experience of minimum 2 years in the relevant fields.	List of the professionals with details of qualification, experience, permanent roll number of the organization.

Note: The Consultant must comply with all the above mentioned criteria. Non-compliance of any of the criteria will entail rejection of the offer summarily. Photocopies of relevant documents/certificates duly attested by the senior officials of the company should be submitted as proof in support of the claims made. The Bank reserves the right to verify/evaluate the claims made by the Consultant independently. If at any stage the Bank realizes that, the details provided are false, the assignment can be rejected or cancelled.



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Annexure: 4

Reference Site details

(Reference site details- 1 site) We give below the reference site details:

Name of the Bank (Client name)	
Full Address of the Bank with PIN code	
Brief description of 'the nature of business/process	
Contact details (At least two contact details of senior staff of the client are to be provided for each reference)	
Contact 1 Name:	
Designation:	
Landline No:	
Cell No:	
Email id:	
Contact 2 Name:	
Designation:	
Landline No:	
Cell No:	
Email id :	
Brief Description of the scope of consultancy service provided in the area of Risk Management (may attach a separate write up)	
Duration of assignment including start date and end date	
Approximate value of service (in rupees) (optional)	

Note: Letter of consent from the bank to act as 'Reference site' to be enclosed.



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Annexure 5

Bid offer covering letter

(In the letterhead of the company)

RFP No.

Date: _____

Bid Reference No..

To:

Sub: Appointment of Consultant for Integrated Risk Management

Ref: RFP No; CO: RMD: 001:2013-14 dtd: 23/10/2013

1. We have gone through the entire RFP & agree for all the terms & conditions of the same. We agree to abide by this bid offer till 180 days from the last date of submission of bid and our offer shall remain binding upon us and may be accepted by the Bank any time before the expiration of that period.
2. Until a formal contract is prepared and executed, this bid offer, together with the Bank's written acceptance thereof and the Bank's notification of award, shall constitute a binding contract between us.
3. We have not made any modification in the Original RFP.
4. We further confirm that the offer is in conformity with the terms and conditions as mentioned in the RFP. We also confirm that the offer shall remain valid for 180 days from the last date of submission.
5. We also understand that the Bank is not bound to accept the offer either in part or in full and that the Bank has right to reject the offer in full or in part without assigning any reasons, whatsoever.
6. We enclose Demand Draft for rupees five lakhs favouring Indian Bank and payable at Chennai towards bid security, details of the same are as under:

DD number	
Date and amount	
Name of issuing Bank and Branch	

Yours faithfully,

(Name and Designation, seal of the firm)

Signature

(In the capacity of)

Duly authorized to sign the bid for and on behalf of

Dated this Day of 2013

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Annexure: 6

Particulars of the Bidder

Details filled in this form must be accompanied by sufficient documentary evidence, in order to verify the correctness of the information.

S No	Item	Details
1	Name of Company/Consultant	
2	Company information	
3	Country of incorporation	
4	Postal address	
5	Telephone/mobile and Fax number	
6	Name and designation of the person authorized to make commitments to the Bank	
7	E-mail address	
8	Office/contact address in Chennai	
9	Experience in terms of volume of business, number and value of projects handled	
10	Brief profile indicating presence in Indian market	
11	Details of domain expertise	
12	Global Net Profit for the last 3 years in USD (in millions- in case of foreign consultant) and INR (in Crores)	
13	Net Profit from business in India for the last 3 years (in Crores)	
14	Tangible Net Worth for the last 3 years (in Crores)	
15	Turnover for the last 3 years (in Crores)	
16	Geography focus, number of employees etc	
17	Global and local experience in the field under reference, including experience in BASEL II implementation as a Consultant. The relevant document / certificate should be enclosed.	
18	Number of personnel to be deployed for the assignment with their brief profile and experience of project team in financial service sector. The Project Co-ordinator, once assigned to the Bank should not be replaced except under very exceptional circumstances and always with the consent from the Bank.	
19	Past credentials of the Consultant	

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20	The Consultant should furnish the details of at least one public / private sector Bank in India where Risk Management frameworks have been implemented / under implementation, indicating the type of assignment, date of commencement and date of operationalisation must be enclosed.	
21	Details of the Risk Management functions completed/under execution with name and location of the client and number of their branches. Nature and type of the project, services delivered/rendered, scope of the services provided, value/cost of the project and duration of the project, contract details of the client and evidence letter from the client.	
22	Proven reference sites preferably: - in India & - abroad where such type of job already undertaken (reference should be to banks with similar environment as Indian Bank)	
23	Requirement from the Bank for implementing the assignment	
24	Name of the Banks where risk management consultancy given	
25	Any other information the bidder wish to inform (furnish full details, if any)	
26	Details of bid amount paid: DD/PO No. Dated Bank: Drawn on (Branch)	
27	PAN number VAT number Sales Tax number	

Detailed CV of all nominated members to be enclosed.

**Request for Proposal- Appointment of Consultant for implementation of Enterprise wide
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Annexure- 7

Covering letter for Technical Offer

(Letter to the Bank on the Consultant's letterhead)

Date: _____

To:

**The Deputy General Manager/DH,
Indian Bank,
Risk Management Dept, 2nd Floor
Avvai Shanmugam Salai,
Royapettah,
Chennai - 600014.**

Dear Sir,

Sub: RFP for developing and implementing an integrated Risk Management Framework and selection/implementation of related software solution which is in tune with the guidelines issued by Basel II & RBI.

Ref: RFP No; CO: RMD: 001:2013-14 dtd:23/10/2013

With reference to the above RFP, having examined and understood the instructions, terms and conditions forming part of the RFP, we hereby enclose our offer to provide our services for all Integrated Risk Management as detailed in your above referred RFP. We agree to all the terms and conditions mentioned in the RFP. We hereby submit our Technical Bid in a sealed envelope. The offer shall be binding on us up to 180 days and subject to the modifications resulting from contract negotiations.

Yours faithfully,

(Name and Designation, seal of the firm)

**Request for Proposal- Appointment of Consultant for implementation of Enterprise wide
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Annexure: 8

Covering letter for Commercial Bid

(Letter on Consultant's letter head)

(To be submitted in sealed envelope)

Place _____

Date _____

To:

**The Deputy General Manager/DH,
Indian Bank,
Risk Management Dept, 2nd Floor
Avvai Shanmugam Salai,
Royapettah,
Chennai - 600014.**

Sir/Madam,

We the undersigned offer to provide our services for Integrated Risk Management
Consultancy in accordance with your RFP dated

Our Commercial Bid shall be binding upon us and the same is also subject to
modification resulting from contract negotiations, up to expiration of the validity period
(180 days) of the proposal.

We remain,

Yours faithfully,

(Name & designation, seal of the firm)

Request for Proposal- Appointment of Consultant for implementation of Enterprise wide Integrated Risk Management

Annexure-9

Commercial Bid

(On Company's letter head)

Sub:

Ref:

Consolidated Costs / charges

S. No.	Particulars	Amount (in Rs)
1	Professional fee of undertaking the Assignment of ' Consultant for Integrated Risk Management and delivering the relevant documents / reports covering the scope of the assignment as specified under Scope of Assignment (Annexure1)	
2	Applicable Service Tax, Education Cess etc.	
3	Other costs / charges (pl specify)	
TOTAL COMMERCIAL BID PRICE (1 + 2+ 3)		

Note: Tax at source will be deducted from the above as applicable at the time of making the payments.

Dated -

Signature and seal of the Bidder

Note:

1. The commercial bid should be enclosed in a separate sealed envelope.
2. All costs / charges should be in INR only.
3. The commercial bid price should be all inclusive costs / charges / taxes (i.e., including technical service charge, **Service Tax, Education Cess**.
4. All costs should be for door delivery for all the deliverables to Corporate Office of the Bank. It is expected that bidders provide fixed costs for all the cost items mentioned in the Commercial Format compliance Table.
5. No additional charges / management fee of any kind will be reimbursed.
6. External factors such as Exchange rate fluctuations, changes in import duty and other taxes, etc. will not affect the Rupee value of the commercial bid, over the validity period of the bid.

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Annexure - 10

Performance Security Form

Bank Guarantee No.

Date:

To
Indian Bank, Chennai

WHEREAS (Name of Agency) (hereinafter called "The Agency") has undertaken, in pursuance of Contract No dated 2013 entered into with you for providing consultancy service for Integrated Risk Management. (Description of Goods and Services) (hereinafter called "the Contract").

AND WHEREAS it has been stipulated by you in the said Contract that the Agency shall furnish you with a Bank Guarantee by a recognised bank for the sum specified therein as security for compliance with the Agency's performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give on behalf the Agency a Guarantee:

THEREFORE, WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Agency, up to a total sum of..... (Amount of the Guarantee in Words and Figures) and we undertake to pay you, upon your first written demand declaring the Agency to be in default under the Contract without cavil or argument, any sum or sums within the limit of (Amount of Guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the day of20...

Signature and Seal of Guarantors

.....

Date.....2013

Address:

.....

Note:

1. Agency should ensure that seal and code no. of the signatory is put by the bankers, before submission of the bank guarantees.
2. Bank guarantees issued by banks located in India shall be on a Non-Judicial Stamp Paper of requisite value.

(The above format is illustrative only and may be suitably modified later by the Bank)

Request for Proposal- Appointment of Consultant for implementation of Enterprise wide Integrated Risk Management**Annexure -11****Time Schedule:**

Key Activities targeted	Completion date
Issue RFP to potential consultant	23/10/2013
Pre-bid meeting	30/10/2013 - 11 am at Corporate Office
Last date and time for submission of RFP	18/11/2013 - 3 pm at Corporate Office
Time and date of opening of Technical bids for eligibility evaluation	18/11/2013 - 4 pm at Corporate Office
Presentation by eligible consultants	#
Reference site visit / off- site feedback	#
Announcement of selection of Consultant	#
Start of consultancy Services	#

Note: The above time table is tentative and the Bank reserves the right to change the dates as per requirements.

will be decided after 18/11/2013

**Request for Proposal- Appointment of Consultant for implementation of Enterprise wide
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Annexure -12

Format for furnishing the profile of the consulting team leader and members:

1. Name:
2. Designation:
3. Professional Qualifications:
4. Experience with the consulting (bidding) firm:
5. Experience with other companies:
6. Membership in any professional body:
7. Details of projects handled / consultancy services rendered with details of client, representing which organization, as member of the team or team leader etc:

Note: Separate sheet may be used for individual person.

Request for Proposal- Appointment of Consultant for implementation of Enterprise wide Integrated Risk Management
Annexure -13
Definitions of Major Terms/ Abbreviations used on the document.

Sr.No.	Term used	Definition.
1.	Bank	It refers to Indian Bank which is inviting bid
2.	RBI	Reserve Bank of India
3.	Basel II	Framework for Capital Measurement and Capital Standards issued by Basel Committee on Banking Supervision
4.	TO	Technical Offer
5	CO	Commercial Offer
6	RFP	Request for Proposal
7	ORM	Operational Risk Management
8	RCSA	Risk and Controls Self Assessment
9	KRI	Key Risk Indicators
10	AMA	Advanced Measurement Approach
11	VaR	Value at Risk
12	IRB	Internal Rating Based
13	PD	Probability of Default
14	LGD	Loss Given Default
15	EAD	Exposure at Default
16	IPR	Intellectual Property Right
17	IT	Information Technology
18	ALM	Asset Liability Management
19	M	Maturity
20	CCF	Credit Conversion Factor
21	RWA	Risk Weighted Asset
22	IMA	Internal Model Approach
23	TSA	The Standardized Approach
24	ICAAP	Internal Capital Adequacy Assessment Process
25	ZO	Zonal Office
26	RAROC	Risk Adjusted Return on Capital
27	EVA	Economic Value Added
28	MIS	Management Information System
29	CVA	Credit Valuation Adjustment