



REQUEST FOR PROPOSAL (RFP)

FOR ENGAGEMENT OF CONSULTANT FOR MARKET RISK

**RFP REFERENCE NO. 1/2017
DATED: 10th August, 2017**

**STATE BANK OF INDIA,
MARKET RISK AMANAGEMENT DEPARTMENT,
6th, AIR INDIA BUILDING,
NARIMAN POINT,
MUMBAI – 400 021**



| TABLE OF CONTENTS | |
|--------------------------|---|
| 1 | Bid details |
| 2 | Overview |
| 3 | Purpose |
| 4 | Invitation |
| 5 | Definitions |
| 6 | Eligibility Criteria |
| 7 | Terms of Reference |
| 8 | Earnest Money Deposit (EMD) |
| 9 | Clarification and amendment of RFP documents |
| 10 | Bidding Document |
| 11 | Validity period of the Proposed Bid |
| 12 | Preparation of proposal /Bid |
| 13 | Commercial Proposal |
| 14 | Submission, receipt and opening of proposal |
| 15 | Proposal evaluation |
| 16 | Disclaimer |
| 17 | Contract finalization |
| 18 | Confidentiality Agreement / Undertaking |
| 19 | Indemnification |
| 20 | Termination of Agreement |
| 21 | Disciplinary action for professional misconduct |
| 22 | Miscellaneous Terms & Conditions |

| TABLE OF CONTENTS | |
|--------------------------|--|
| Annexure A | Eligibility Criteria |
| Annexure B | Qualification criteria & their weightages |
| Annexure B1 | Parameter for Technical Evaluation |
| Annexure C | Parameter for Evaluation of Bid |
| Annexure D | Proforma of Application For Bank's Market Risk Consultant |
| Annexure D-1 | Particulars To Be Furnished For The Purpose of Appointment of The Market Risk Consultant |
| Annexure D-2 | Particulars In Respect of Market Risk Transformation and Implementation of Public /Private Sector Banks Having Balance Sheet of Rs.50,000 Crores or More As On 31.03.2017 During Last Five Years |
| Annexure D-3 | Details of Partners And Qualified Employees On Firm's Payroll |
| Annexure D-4 | Particulars In Respect of Market Risk Consultancy/ implementation At Whole Bank Level For Institutions Engaged In Financial Services During Last Ten Years |
| Annexure E | Term of Reference (TOR) |
| Annexure F | Definition of Key Deliverables |
| Annexure H | Bank Guarantee Format. |

REQUEST FOR PROPOSAL (RFP)
FOR APPOINTMENT OF CONSULTANT FOR GOODS AND SERVICE TAX

1. BID DETAILS

| | | |
|----|---|--|
| 1 | Date and time of commencement of Bidding Process (I,e Posting of Tender Document on Web Site) | Date: 10.08.2017 (Thursday) Time : 10.45 A.M. |
| 2 | Last date and time for receipt of written queries for clarification from bidders | Date: 21.08.2017 (Monday) Time: 5.00 P.M |
| 3 | Last date and time for reply to queries by the Bank | Date: 28.08.2017 (Monday) Time: 5.00 P.M |
| 4 | Last date and Time for submission of Technical and Commercial Bid by the bidders | Date: 08.09.2017 (Friday) Time: 3.00 P.M |
| 5 | Date and Time of opening of Qualifying and Technical Bids | Date: 15.09.2017 (Friday) Time: 4:00 PM |
| 6 | Date and Time of opening of the Commercial Bids | Date: 22.09.2017 (Friday) Time: 4.00 PM |
| 7 | Place of opening of Technical Bids and Financial Bids | Market Risk Management Department, State Bank of India, Corporate Centre, 6 th Floor, Air India Building, Nariman Point, Mumbai. Representatives of bidders may be present during opening of the Bid. However, Bids would be opened even in the absence of any or all of the bidders representatives. |
| 8 | The firms who qualify by scoring 75% or more marks as per Annexure 'B' will only be considered for further evaluation. In case, the number of firms securing the minimum qualifying marks of 75%, as above, is less than three, the Bank reserves the right to reduce the minimum qualifying marks. | |
| 9 | Address for communication (Bank) | Name: Sri Ashwini Kumar Shukla Designation - Deputy General Manager (Market Risk) State Bank of India, Corporate Centre, 6 th floor, Air India Building, Nariman Point, Mumbai - 400021 Contact Number: 22870705, 22870757, Fax: 022 22870734 Email: var.mrmd@sbi.co.in, dgm.marketrisk@sbi.co.in |
| 10 | Earnest Money Deposit (EMD) | Rs. 1,00,000/- (Rupees One Lakh only) in the form of Demand Drafft in favour of 'State Bank of India' payable at Mumbai. EMD should be enclosed with Technical Bid. |

2. Overview

State Bank of India is India's largest bank having its branches spread across India. The Bank also has presence in 35 countries across the globe. The Bank offers wide range of

products and services to both Corporate and Retail Customers. The Bank also has one of the largest networks of ATMs spread across all geographical locations. The Bank also provides services to its customers through alternate channels such as Internet Banking, Debit Cards, Mobile Banking, etc.

To expand its reach further, the Bank is also forging ahead with cutting edge technologies and innovative new banking models.

3. **Purpose**

Bank is proposing to adopt the latest developments in Market Risk in view of the recent guidelines issued by various regulators including Reserve Bank of India, SEBI, Bank for International Settlement(BIS) and overseas regulators. Accordingly, Bank desires to engage a market risk consultant of repute to implement the global best practices in Market Risk. For this purpose, the Bank invites Request for Proposal (RFP) from consultants of repute and proven track record.

Detailed activities/functions that the selected consultant is expected to perform is as per Terms of Reference (TOR) given in Annexure E.

4. **Invitation**

The Bank invites Proposals (the "Proposals") for selection of a Market Risk consultant who shall assist the Bank in implementation with Proposed Market Risk solutions, as detailed in Terms of Reference. The solutions are to be implemented at Enterprise level.

The bidders desirous of taking up the project are invited to submit their technical and commercial proposal in response to this RFP in a manner as mentioned in Para 12 of this document. The criteria and the actual process of evaluation of the response to the RFP and subsequent selection of the Successful Consultant (SC) will be entirely at Bank's discretion. The applicants should have necessary experience, capability and expertise to perform, as per the scope of work and to meet the Bank's requirements/terms and conditions outlined in the RFP. The RFP is not an offer by State Bank of India, but an invitation to receive responses from the Bidders. No contractual obligation whatsoever shall arise from the RFP process unless and until a formal contract is signed and executed by duly authorized official(s) of State Bank of India with a Successful Consultant.

5. **Definitions**

- a. "SBI" or "Bank" means **State Bank of India**, constituted under the State Bank of India Act 1955, which has invited the bids for consultancy services, and with which the selected consultant signs the contract for the services to be rendered and to whom the selected consultant shall provide services as per the terms and conditions and terms of reference of the contract.
- b. "Bidder" means a consultant who is submitting its proposal for providing services to SBI.

- c. "Consultant" means any entity or firm or an association of persons submitting its proposal for providing services to SBI.
- d. "Contract" means the contract signed by the parties and all the attached documents and the appendices.
- e. "Day" means calendar day.
- f. "Personnel" means professionals and support staff provided by the consultant to perform the services or any part thereof.
- g. "Proposal" means the technical proposal and the commercial proposal.
- h. "RFP" means this "Request For Proposal" prepared by SBI for the selection of consultants.
- i. "Assignment/job" means the work to be performed by the consultant pursuant to the contract.
- j. "Terms of Reference (TOR)" means the document included in the RFP which explains the scope of work, activities, tasks to be performed, etc.
- k. "Balance Sheet size" means the total of assets side of the balance sheet. The term consultant, applicant and bidder have been used interchangeably in the RFP document.
- f. "Qualifying Partner"-Partner having qualification as set out in Annexure-D and minimum experience of 10 Years in Market Risk Management/ALM.
- g. "Qualifying Employee"- Employee having qualification as set out in Annexure-D and minimum experience of 3 Years in Market Risk Management/ALM.

6. **Eligibility Criteria :**

- 6.1. Applicants must read carefully the minimum conditions of eligibility criteria provided herein. Proposals of only those Applicants who satisfy these conditions will be considered for evaluation process. To be eligible for evaluation of its Proposal, the Applicant shall fulfill the eligibility criteria given in Annexure A Part (a).
- 6.2. An Applicant or its Affiliates should have, during the last three years, neither failed to perform on any agreement, as evidenced by imposition of a penalty by an arbitral or a judicial pronouncement or arbitration awarded against the Applicant or its Affiliates, nor been expelled from any project or agreement nor had any agreement terminated for breach or barred from future participation by such Applicant or its Affiliates.
- 6.3. **Conflict of interest**
 - 6.3.1. SBI requires that the consultants provide professional, objective, and impartial advice, and at all times hold SBI's interests paramount, strictly avoid conflicts with other assignment(s)/job(s) or their own corporate interests, and act without any expectation/consideration for award of any future assignment(s) from SBI.
 - 6.3.2. Without limitation on the generality of the foregoing, the consultants, and any of their affiliates, shall be considered to have a conflict of interest (and shall not be engaged under any of the circumstances) as set forth below:

- i. **Conflicting assignment/job:** The consultant (including its personnel) or any of its affiliates shall not be hired for any assignment/job that, by its nature, may be in conflict with another assignment/job of consultancy to be executed for the same and/or for another organisation.
- ii. **Conflicting relationships:** The consultant or any of its affiliates (including its personnel) having a business or family relationship with a member of SBI's staff who is directly or indirectly involved in any part of (i) the preparation of the terms of reference of the assignment/job, (ii) the selection process for such assignment/job, or (iii) supervision of the contract, may not be awarded a contract, unless the conflict stemming from such a relationship has been resolved in a manner acceptable to SBI throughout the selection process and the execution of the contract.

The consultant has an obligation to disclose any situation of actual or potential conflict that impacts its capacity to serve the best interests of SBI, or that may reasonably be perceived as having this effect. If the consultant fails to disclose such conflicts of interest and if SBI comes to know of such a situation at any time, then SBI reserves the right to disqualify the consultant during the bidding process or to terminate its contract during the tenure of assignment.

6.4. Employees of SBI shall not work as, for or be a part of, the firm of consultants.

7. Terms of Reference: As per in Annexure E.

8. Earnest Money Deposit (EMD)

- i. The Bidder shall submit the EMD of Rs. 1,00,000/- (Rs. One Lakh only) by way of demand draft favouring 'State Bank of India' payable at Mumbai. EMD may be forfeited in the event of withdrawal of bid during the period of processing of RFP or in case the selected consultant fails to sign the contract within the period mentioned herein.
- ii. EMD should be submitted along with the application, given in Annexure D. Any application not accompanied by the requisite EMD shall be treated as non-responsive and is liable to be rejected.
- iii. The EMD of the unsuccessful bidders will be returned as early as possible, after completion of process of selection of the consultant. The EMD of the selected Consultant shall be refunded only after successful completion of one year of contract or expiry of the contract whichever is earlier.
- iv. No interest is payable on the amount of EMD.
- v. If EMD is forfeited for any reason, the concerned bidder will be debarred from further participation in future three RFPs floated by the Bank.

9. Clarification and amendment of RFP documents

- 9.1. The consultant may request a clarification on any clause of the RFP documents within the timelines mentioned as per Sr.No.2 of Table given in Para 1 of the RFP documents. Any request for clarification must be sent by e-mail to var.mrmd@sbi.co.in and dgm.marketrisk@sbi.co.in. SBI will respond by e-mail. The responses of the Bank will be published on SBI's website without identifying the source of the query. Should SBI deem it necessary to amend the RFP as a result of a clarification, it shall do so in accordance with the procedure stated under paragraph 9.2 below.
- 9.2. At any time prior to the deadline for submission of proposal, SBI may modify the bidding document by amendment. Any clarification issued by SBI will be in the form of an addendum/ corrigendum and will be available in SBI's website - <http://www.sbi.co.in>. The amendment will be binding on all bidders. SBI, at its discretion may extend the deadline for submission of bids in order to allow prospective bidders a reasonable time to take the amendment into account. Interested applicants are advised to frequently visit the web sites for updating themselves about changes, if any, made in the RFP before the bid submission date.

10. Bidding Document:

- 10.1. Detailed description of the objectives, scope of services, and other requirements relating to this Consultancy are specified in Annexure E of this RFP. Interested applicants eligible as per Annexure "A" may participate in the Selection Process by submitting the bids as expected in this document.
- 10.2. Applicants are advised that the selection of Consultant shall be on the basis of an evaluation/Selection Process specified in this RFP in Para 15. Applicants shall be deemed to have understood and agreed that no explanation or justification for any aspect of the Selection Process will be given and that the Bank's decisions are without any right of appeal whatsoever.
- 10.3. No Bidder / Applicant shall submit more than one Application for the Consultancy. If a consultant submits or participates in more than one proposal, all such proposals shall be disqualified.

11. Validity period of the Proposed Bid

- 11.1. The proposal must be valid for 120 days after the last date for submission of proposal. During this period, the consultants shall maintain the availability of professional staff nominated in the proposal and also the commercial proposal shall remain unchanged.

12. Preparation of proposals/Bid

- 12.1** The proposal as well as all related correspondence exchanged by the consultants with SBI, shall be written in the English language. Bidder who fulfil the criteria

specified in Annexure A Part (a) should send their Application (i.e. Technical and Commercial Proposal) in the format enclosed as Annexure D together with annexures D1 to D4 and other supporting documents to the Deputy General Manager (Market Risk), Market Risk Management Department, State Bank of India, Corporate Centre, 6th Floor, Air India Building, Nariman Point, Mumbai – 400 021 so as to reach him **by 03:00 PM day 08.09.2017**.

- 12.2 The name of the assignment/job/project shall be 'Consultancy to SBI in Market Risk'. Detailed scope of the assignment/job has been described in the Terms of Reference Annexure F.
- 12.3 In preparing their technical proposal, consultants are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a technical proposal.
- 12.4 The bids shall be in two parts viz. Technical Proposal and Commercial Proposal. Both the Technical and Commercial Proposals shall be submitted in separate sealed envelopes super-scribing **"TECHNICAL PROPOSAL FOR APPOINTMENT OF MARKET RISK CONSULTANT: TENDER REFERENCE NO. 1/2017"** on top of the envelope containing technical bid and **"COMMERCIAL PROPOSAL FOR APPOINTMENT OF MARKET RISK CONSULTANT: TENDER REFERENCE NO.1/2017"** on top of the envelope containing commercial bid.
- 12.5 These two separate sealed envelopes should be put together in the sealed master envelope super subscribing **"PROPOSAL FOR APPOINTMENT OF MARKET RISK CONSULTANT: TENDER REFERENCE NO.1/2017"**
- 12.6 The Technical Proposal shall contain the required documents, duly signed by the Applicant's Authorized Representative, in support of details mentioned in **Annexure A, D-1 to D-4, E**. A copy of the Commercial Proposal marking the prices is to be submitted in a separate sealed envelope along with the Technical Proposal. **The Demand Draft for EMD of Rs. 1,00,000/- should also be kept in the envelop containing the technical proposal.**
- 12.7 The Proposal will be evaluated for suitability as per mandatory eligibility criteria given in Annexure A .
- 12.8 Proposal will be evaluated as per weightage mentioned in Annexure 'B'. Only firms securing 75 or more marks will be considered for further evaluation. In case number of firms receiving 75% or more is less than three than the Bank reserves the right to reduce qualifying marks.
- 12.9 The firms, who qualify be securing 75% or more marks as mentioned in # 12.8 will have their technical proposal evaluated. The technical proposal will be evaluated in accordance with parameters and weights mentioned in Annexure B-1.

- 12.10 Commercial bids will be opened and evaluated, for all the firms whose technical bids has been evaluated.
- 12.11 The technical proposal shall have 70 percentage weightage. The commercial bid will be having 30 percent weightage in final selection of the Market Risk Consultant.
- 12.12 SBI will select a consultant firm from among the shortlisted firms displayed on the Bank's Website, to perform the assignment detailed in the TOR given in Annexure E. The bidder has to make their own evaluation in quantifying the financial bid and no further negotiation shall be permitted after the bid process, execution of contract till the completion of the term of service for whatsoever reason.
- 12.13 The proposal will be basis for contract to be signed with the selected consultant. The contract shall be finalised within 30 days from date of issuance of final selection letter.
- 12.14 The consultant shall bear all costs associated with the preparation and submission of proposal and contract negotiation. SBI is not bound to accept any proposal, and reserves the right to annul the selection process without assigning any reason(s), at any time prior to signing of contract, without incurring any liability towards the consultants.

13. **Commercial proposals**

- 13.1. The Firms are required to submit commercial proposal in a separate envelope along with the technical proposal. Commercial bids will be opened and evaluated for all the firms whose technical proposal has been evaluated.
- 13.2. The date of opening of the commercial bid shall be communicated separately. The commercial proposal shall clearly indicate the:
One time cost for assisting the bank for implementation of Market Risk up to the actual date of implementation and including hand-holding, for a period till the date of final completion of the project.
- 13.3. Amount as stated in 13.2 should be mentioned both in figures and words, in Indian Rupees, and signed by the Applicant's Authorized Representative. In the event of any difference between figures and words, the amount indicated in words shall prevail. In the event of a difference between the arithmetic total and the total shown in the commercial proposal, the lower of the two shall prevail.
- 13.4. The cost quoted shall separately state the consultancy fee and applicable taxes (applicable taxes will be paid as per the tax rate prevailing at the time of actual payment). Out of pocket expenses, if any, will be paid on actual basis separately, for assignments outside Mumbai. The commercial proposal shall not include any conditions attached to it. Any such conditional commercial proposal shall be liable for rejection. Payment will be made after deducting tax deductible at source as per applicable tax laws.

- 13.5. The engagement will come into effect immediately after finalisation of the bidder and is required to be executed within specified time frame as detailed in TOR (Annexure E). Any delay beyond reasonable period of fifteen days, in each instance in each phase, will result in a penalty of 10% of the total value of contract as mentioned in annexure D. The term of engagement will end after all the issues raised in TOR are completed or two years from the date of the contract, whichever is earlier.
- 13.6. During this period consultant will advise (as per the terms of reference given in Annexure E) for implementation of Market Risk and hand holding and post implementation compliance (upto the completion of the project). The payments shall be made as under:
- 13.6.1. The payment terms would be as follows:
The terms of the payment will be decided based on the number of items to be completed as per the TOR. Each of the items will be priced, based on the mutual agreement (within the overall cost of the project) and the timeline will be there for completion of the items and payment will be made accordingly. **The selected Consultant will be required to furnish a performance guarantee for 5% of the value of the contract, issued by a commercial bank located in India. Validity of the performance guarantee will be 90 days more than the period of the contract. The format of the "Bank Guarantee" shall be as per the Annexure H.**

14. Submission, receipt and opening of proposal

- 14.1. The original proposal, both technical and commercial proposals, shall contain no interlineations or overwriting.
- 14.2. An authorised representative of the consultants shall initial all pages of the RFP document and sign the original technical and commercial proposals as well as the Annexures. The authorisation shall be in the form of a letter or in any other form demonstrating that the representative has been duly authorised to sign and such authorisation shall be enclosed with the proposal. The signed Technical and Commercial proposals shall be marked "original".
- 14.3. Both the Technical and Commercial proposals shall be submitted in separate sealed envelopes super scribing "**TECHNICAL PROPOSAL FOR APPOINTMENT OF MARKET RISK CONSULTANT: TENDER REFERENCE NO.1/2017**" on top of the envelope containing technical bid and "**COMMERCIAL PROPOSAL FOR APPOINTMENT OF MARKET RISK CONSULTANT: TENDER REFERENCE NO.1/2017**" on top of the envelope containing commercial bid.
- 14.4. These two separate sealed envelopes should be put together in the sealed master envelope super scribing "**PROPOSAL FOR APPOINTMENT OF MARKET RISK CONSULTANT: TENDER REFERENCE NO.1/2017**" and should be addressed to

Deputy General Manager (Market Risk)
Market Risk Management Department
State Bank of India, Corporate Centre,
6th Floor, Air India Building,
Nariman Point – 400 021.

14.5. SBI shall not be responsible for postal delay, misplacement, loss or premature opening if the outer envelope is not sealed and/or marked as stipulated. This circumstance may be a cause for proposal rejection.

14.6. **The sealed master envelope containing the technical and commercial proposals should be submitted at the address given in paragraph 14.4 not later than 3.00 p.m. on 8th September, 2017. Any proposal received by SBI after the deadline for submission shall be returned unopened. No further correspondence in this regard shall be entertained.**

14.7. **The sealed master envelope containing the technical shall be opened on 15th September, 2017 at 04:00 P.M and commercial proposals shall be opened on 22nd September, 2017 at 04:00 P.M. The sealed envelope of technical proposal shall be opened while the commercial proposal shall be kept in the sealed envelope for opening at a later date. Representatives of Bidders may be present during opening of the Technical proposals. However, Technical Proposals would be opened even in the absence of any or all of the bidder's representatives.**

15. **Proposal evaluation**

15.1. From the time the proposals are opened to the time the contract is awarded, the consultants should not contact SBI, unless called for. The consultants should also not contact any of the officers/employees or representatives of the bank on any matter related to its technical proposal and/or commercial proposal with a view to influencing SBI in the examination, evaluation, ranking of proposals, and recommendation for award of contract. Such an effort shall result in the rejection of the consultants' proposals. Canvassing in any form would lead to disqualification of the proposal.

15.2. The firms, who qualify as per mandatory eligibility criteria mentioned in Annexure A Part (a), will be called for interaction with the Bank's appointed internal committee.

15.3. Commercial bids will be opened and evaluated for firms securing 75% (75 out of 100) or more marks as per scoring given in Technical Proposal and Presentation. In case, the number of firms securing the minimum qualifying marks of 75%, as above, is less than three, the Bank reserves the right to reduce the minimum qualifying marks.

15.4. The envelope containing commercial proposal (for qualified applicants as per Para 15.3 above) will be opened subsequently and would be evaluated according to a scoring system for final ranking as stated in the scoring sheet attached (Annexure B).

15.5. In case of a discrepancy between amount in words and figures, the former will prevail.

15.6. SBI reserves the right

- I. to accept or reject any or all the proposals without assigning any reason and

- II. To engage a consultant for the entire Assignment/ Job only for one or more segments of the project.

16. **Disclaimer**

- 16.1. The information contained in this Request for Proposal (RFP) document or information provided subsequently to Bidder(s) or applicants whether verbally or in documentary form/email by or on behalf of State Bank of India (Bank), is subject to the terms and conditions set out in this RFP document and all other terms and conditions subject to which such information is provided.
- 16.2. This RFP is neither an agreement nor an offer and is only an invitation by the Bank to the interested parties for submission of bids. The purpose of this RFP is to provide the Bidder(s) with information to assist the formulation of their proposals. This RFP does not claim to contain all the information each Bidder may require. Each Bidder should conduct its own investigations and analysis and should check the accuracy, reliability and completeness of the information in this RFP and where necessary obtain independent advices/clarifications. Bank may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP. No contractual obligation whatsoever shall arise from the RFP process until a formal contract is signed and executed by duly authorized officers of the Bank with the Selected Bidder (SB).
- 16.3. The Bank, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Applicant or Bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFP or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in any way for participation in this Bid Stage.
- 16.4. The Bank also accepts no liability of any nature whether resulting from negligence or otherwise, howsoever caused arising from reliance of any Bidder upon the statements contained in this RFP.
- 16.5. The issue of this RFP does not imply that the Bank is bound to select a Bidder or to appoint the Selected Bidder (SB), as the case may be, for the Project and the Bank reserves the right to reject all or any of the Bidders or Bids without assigning any reason whatsoever.
- 16.6. The Bidder shall bear all its costs associated with or relating to the preparation and submission of its Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Bank or any other costs incurred in connection with or relating to its Bid. All such costs and expenses will remain with the Bidder and the Bank shall not be liable in any manner whatsoever for the same or for any other costs

or other expenses incurred by a Bidder in preparation or submission of the Bid, regardless of the conduct or outcome of the Bidding Process.

17. **Contract finalisation**

17.1. The selected consultant has to execute a contract / agreement in accordance with the terms and conditions in the RFP and in the format approved by SBI. SBI shall have the right not to enter into the contract with the consultant if there is any change in the names made available as per the Annexure D-3 of the RFP.

17.2. SBI will not consider substitution of professional staff, provided as per Annexure D-3, before signing the contract and during the tenure of the assignment unless both parties agree that undue delay in the selection of professional staff makes such substitution unavoidable, or for reasons such as death or medical incapacity, or if the professional staff has left the organisation. Any proposed substitute shall have equivalent or better qualifications and experience and complete details be submitted by the consultant within the 15 days of such event.

17.3. The contract/ agreement shall be executed only at Mumbai and the selected consultant shall bear the cost of stamp duty for the contract/ agreement as applicable in the state of Maharashtra.

18. **18.1 Confidentiality Agreement/Undertaking:** As the successful firm will have access to the data of the Bank, the Bank will require the firm to sign a confidentiality agreement/undertaking indemnity for not disclosing or part with any information relating to the Bank and its data to any person or persons or authorities, without written consent of the Bank. Breach of the same will result in cancellation of the agreement apart from other remedies which shall be available to the Bank against the consultant.

18.2 Professional Liability / Accountability: The consultant is expected to carry out its/his assignment with due diligence and in accordance with the prevailing and best standards of the profession keeping in view norms of ethical business, professionalism and the fact that such advice/service is .

19. **Indemnification:** The market risk consultant shall agree to indemnify the Bank against any loss on claims due to loss of data /damage to data of the Bank arising as a consequence of breach of any clause in terms and conditions of the agreement.

20. **Termination of Agreement:** A suitable clause for termination by giving suitable notice will be incorporated in the final agreement. The agreement with the selected firm may be cancelled at the Bank's discretion on account of following or without assigning any reason:

- a. On refusal to take up the allotted Assignment;
- b. If the firm stands dissolved /reconstituted under the name/style of the firm is changed;
- c. On not abiding by the terms and conditions stipulated in the agreement;

- d. If the performance of the firm is not found satisfactory (viewed as such by the Bank's appropriate authority);
- e. Any other reason at the discretion of the Bank.

21 .i) **Disciplinary action for professional misconduct:** In case of any professional misconduct observed on the part of the selected firm, in addition to the remedies such as to debar such firm from any future service to the Bank, intimation of such misconduct to the authorities such as RBI/IBA/GOI, etc., the Bank will also be entitled to approach any Court of law or Governing authority such as ICAI.

ii) **Penalty Clause:** Bank reserves the right to deduct from the fee to be paid to the consultant, in the event of the following:

If the project milestone is not completed as per the satisfaction of the Bank, the consultant shall pay to the client as liquidity damages, a sum calculated at the rate of 0.20% of the price due and payable upon achievements of such project milestone, for every month of delay or part thereof up to a maximum of 10% of the contract price (subject to the completion of all the milestones in total project period of 2 years).

22. Miscellaneous Terms & Conditions

22.1 Until a formal contract is prepared and executed, this offer together with Bank's written acceptance and notification of award shall constitute a binding contract with the consultant.

22.2 State Bank of India is not responsible for non-receipt of bids within the specified date and time due to any reason including postal delays or holidays.

22.3 The consultant should abide by the relevant and extant instructions of Govt. of India, GFR issued by Ministry of Finance, guidelines of CVC and provisions of the Manual for procurement of Consultancy and other services -2017 as applicable to the services to be rendered and required to be complied with.

22.3 The Bank also reserves the right to alter/ modify any/ some/ all of the requirements, as it may deem necessary, and notify the same on its websites <http://www.sbi.co.in> before the last date for submission of response under this RFP. The Bidders should be agreeable for the same.

22.4 Bids not conforming to the requirements of the RFP may not be considered by SBI. However, SBI reserves the right, at any time before last date of submission of Technical & Financial proposal, to waive any of the requirements of the RFP, if in the sole discretion of SBI, the best interests of SBI would be served by such waiver.

22.5 SBI shall have the right to cancel the RFP process at any time prior to award of contract, without thereby incurring any liabilities to the affected Bidder(s). Reasons for cancellation, as determined by SBI, in its sole discretion, may include but are not limited to, the following:

- (i) Services contemplated are no longer required;
- (ii) Scope of work were not adequately or clearly defined due to unforeseen circumstance and/or factors and/or new developments;
- (iii) Proposed fees are unacceptable to the Work;
- (iv) The Project is not in the best interests of SBI;
- (v) Any other reason.

22.6 The Applicants shall be responsible for all of costs associated with the preparation of their Proposals and their participation in the Selection Process including subsequent negotiation, visits to the Bank, etc. The Bank will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Selection Process.

22.7 SBI reserves the right to verify the validity of bid information and to reject any bid where the contents appear to be incorrect, inaccurate or inappropriate at any time during the process of RFP or even after award of contract.

22.8 All pages of RFP should be stamped and signed by Authorized Signatory of the Bidder and to be submitted with the bids.

22.9 Bank may choose to obtain an undertaking from employees of the consultant to maintain confidentiality of the Bank's information/documents etc. Bank may seek details/confirmation on background verification of consultant's employees, worked/working on Bank's project as may have been undertaken / executed by the consultant. Consultant should be agreeable for any such undertaking/verification and arrange to provide the same.

22.10 The consultant should support and facilitate the Bank, in case of change or implementation of application/ software for Market Risk Department, during the currency of the contract.

22.11 The Consultant would also be required to incorporate in its deliverables any amendments/new guidelines brought out by RBI or BIS during currency of the contract.

Eligibility Criteria

Bidders meeting the following criteria are eligible to submit their Bids along with supporting documents. If the Bid is not accompanied by the required documents supporting eligibility criteria, the same would be rejected.

Part (a)

| Sr. No. | Mandatory Eligibility Criteria | Documents Required |
|---------|---|--|
| 1 | The Applicant should have been providing consultancy/advisory services continuously in India for the last 10 years as on 31.03.2017. | Constitution Certificate issued by ICAI / Self-declaration in case applicant firm is not registered with ICAI. |
| 2 | <p>a) Firm should have minimum 4 partners (Qualifying Partners), and at least 10 employees having experience in market risk including Asset Liability Management and Liquidity Risk related areas (Qualifying Employees) (as on 31.03.2017).</p> <p>b) All Qualifying partner and Qualifying Employee must be associated with the firm for a period not less than two year as on 31.03.2017.</p> <p>c) Engagement manager should have been for a minimum of three years with the firm as on 31.03.2017.</p> | Constitution Certificate issued by ICAI/ Self-declaration in case applicant firm is not registered with ICAI. |
| 3 | Firm should have a full-fledged office in Mumbai for at least last five years (as on 31.03.2017) with at least two partners stationed in Mumbai | Self-declaration / constitution certificate / Firm Card |
| 4 | Firm should be regular consultant for market risk and ALM related areas and its implementation, as on 31.03.2017 of at least two Bank /Financial Institutions during past five years (i.e.01.04.2012 onwards). (At least one year continuous engagement will be required for eligibility) | Client Certificate/ Appointment letter issued by the relevant organization clearly indicating the period covered. |
| 5 | The Firm should have average turnover of at least Rupees Five Crores during last three financial years and should not have negative net worth in any of the last three years | Copy of audited financial accounts for F.Y. 2014-15, 2015-16 and 2016-17 / A certificate from an independent chartered accountant certifying the turnover and net worth of the relevant years. |
| 6 | The firm should not have been banned / declared ineligible for corrupt and fraudulent practices by the Govt. of India or its undertaking/ State Governments or its undertaking/ RBI / ICAI/ Public Sector Banks and should not have any disciplinary proceedings pending against the applicant firm or any of the partners with ICAI/RBI. | Undertaking by the applicant Firm in format E. |

Part (b)

| Sr.No. | Desirable Eligibility Criteria | Documents Required |
|--------|--|--|
| 1. | Consultancy to / advocacy on behalf of any organization controlling or representing Banking / financial sector (like IBA, RBI, AMFI, IRDA, etc.) with respect to (during past two years i.e. from 01.04.2014 onwards). | Client Certificate / copy of agreement with client |

NOTE: Eligibility Criteria shall include the bidder along with its affiliates/ Group companies/member firms working under the common brand name and engaged in similar activity of accounting advisory/ financial services, registered in India.

Qualification criteria and their weightages

Part (a)

The parameters used in qualification criteria and their weightages are as follows:-

| Sr. No. | Parameters | Maximum Marks | Criteria |
|---------|---|---|---|
| 1 | Past Experience of the consultant (track record) * Number of years' relevant experience * Past experience of assignments of similar nature * Past experience in carrying out . Assignment in the Banking Sector . Assignment carried out in overseas jurisdiction Firm Establishment No of years of practicing in India as on 31.03.2017 | 60 20 20 10 10 | Maximum Marks will be 60 Ten marks for minimum 10 years and One mark for each completed additional year. Fifteen marks for 2 assignments and 2.5 marks for each completed additional assignments. Seven marks for minimum 2 assignments and One mark for each additional assignment. Five marks for one assignment and 2.5 marks for each completed additional assignment. |
| 2 | Man Power and qualifications – No. of Partners and qualified Employees * Qualifications * Relevant Experience (Annexure D-3) (Each Partner/Employee must be associated with the firm for minimum period of <i>preceding 2 years as on 31.03.2017</i>) | 25 10 15 | Maximum Marks will be 25 Minimum 4 Partners (as on 31.03.2017)– Five marks, one mark each for additional partner:- maximum Ten marks For relevant experience – Fifteen marks, (as defined under Qualifying Partner/Employee) NOTE: No marks will be awarded to the partner or Employees having less than two year association with the firm either as a partner or as an employee as the case may be. |
| 3 | Overall financial health of the consultant in terms of turnover, profitability and cash flow (liquid assets) situation * Turnover figure for the last three years * Net Profit figure for last three years | 15 10 5 | Maximum Marks will be 15 For each of the three years of turnover, greater than Five Crores, score awarded will be 10 otherwise nil:- For each of the three years of continuous profit, score awarded will be 5 otherwise nil |
| | Grand Total of Part | 100 | |

Parameters for Technical Evaluation:
 Technical Evaluation would be on following parameters;

| Sr. No. | Parameters | Maximum Marks | Criteria |
|---------|---|----------------------|--------------------------------------|
| 1 | Consultancy Firm's specific experience | 10 | Maximum marks awarded will be ten |
| 2 | Methodology Sub parameters * understanding of TOR * acceptability and detailing of methodology and work plan * innovation | 50 15 30 15 | Maximum Marks awarded will be Fifty |
| 3 | Suitability of key professionals * Educational qualification * Professional experience in the required area of assignment | 30 10 20 | Maximum Marks awarded will be Thirty |
| 4 | Transfer of Knowledge | 10 | Maximum marks awarded will be ten |
| | Grand Total of Part | 100 | |

As these would be un-quantifiable in nature, assigning of marks will be done on the basis of division of range into 4-5 slabs of ratings, as follows:

1. Very Good - Full Marks
2. Good - 80% of Full marks
3. Satisfactory - 60% of Full marks
4. Unsatisfactory- 30% of Full marks
5. Not Relevant - 10% of Full

(as set out in the Manual for Procurement of Consultancy & other Services 2017, Government of India, Ministry of Finance, Department of Expenditure)

Parameter for Evaluation of Bid

Evaluated Bid Score (B) will be calculated for each responsive Bid using the following formula, which permits a comprehensive assessment of the Bid price and the technical merits of each bid:

$$B = \frac{C_{low}}{C} X + \frac{T}{T_{high}} (1 - X)$$

Where

C = Evaluated Bid Price

C_{low} = the lowest of all Evaluated Bid Prices among responsive Bids

T = the total Technical Score awarded to the Bid

T_{high} = the Technical Score achieved by the Bid that was scored best among all Responsive Bids

X = weightage for the Price as specified in the BDS

The Bid with the best evaluated Bid Score (B) among responsive Bids shall be the Most Advantageous Bid.

| Sr. No | Parameters | Maximum Marks (Weightage) |
|--------|---------------------|---------------------------|
| 1 | Technical Parameter | 70 |
| 2 | Financial Bid | 30 |

For example:

Three consultants namely A, B and C participated in the bid process and their technical score are as under:

A=49, B=63 C= 56

After converting them into percentile, we get

A= $(49/63)*100 = 77.77$

B= $(63/63)*100 = 100$

C= $(56/63)*100 = 88.89$

The quoted prices for consultants are as under:

A= Rs 8000, B=Rs 9000, C=Rs10000

The final cost (lower cost quoted in price bid, in this case it Rs 8000) quoted by the bidders converted into percentile score shall be as under:

A = $(8000/8000)*100 = 100$

B= $(8000/9000)*100 = 89$

C= $(8000/10000)*100 = 80$

As the weightage for technical parameter and cost are 70% and 30% respectively, the final scores shall be calculated as under:

A= $(77.77*0.7) + (100*0.3) = 84.44$

B= $(100*0.7) + (89*0.3) = 96.7$

C= $(88.89*0.7) + (80*0.3) = 86.22$

Hence, the offer of 'B' (being highest score) would be considered

**PROFORMA OF APPLICATION
FOR BANK'S MARKET RISK CONSULTANT
(ON OFFICIAL LETTER HEAD)**

The Deputy General Manager (MRM)
State Bank of India
Corporate centre, 6th floor
Air India Building
Nariman Point,
Mumbai-400 021

Dear Sir,

APPLICATION FOR APPOINTMENT AS MARKET RISK CONSULTANT OF THE BANK.

Please find enclosed information in Annexure (D-1 to D-4) concerning us for consideration of our firm to be appointed as Market Risk consultant of the Bank.

2. We agree to undertake the project, if allotted by you, as per the scope of work (Terms of Reference). We hereby declare that our firm does not have any pecuniary liability or any claim/disciplinary/legal proceeding pending against us/ our partners or any other cause which could hamper our ability to render the services as envisaged. We also declare that our firm has not been banned / declared ineligible for corrupt and fraudulent practices by the Govt. of India or its undertaking/ State Governments or its undertaking / RBI / ICAI/Public Sector Banks and does not have any disciplinary proceedings pending against it or any of the partners with ICAI/RBI. If the aforesaid representation /declaration or information in the annexures is found to be incorrect, we agree that the Bank shall be entitled to terminate the agreement, if allotted, or initiate suitable action as deemed fit and appropriate by the Bank, without reference to us. We or our affiliates have, during the last three years, neither failed to perform on any agreement, as evidenced by imposition of a penalty by an arbitral or a judicial pronouncement or arbitration awarded against us or our Affiliates, nor been expelled from any project or agreement nor had any agreement terminated for breach by us or our affiliates.

3. We also confirm that in case a firm is selected as successful bidder, we shall execute the contract in accordance with the terms and conditions in the RFP as per the format of agreement made available by the Bank.

Date:

Authorised Signatory

Place:

(Name :)

List of Document Enclosed

1. EMD –DD particulars
2. Annexures D1 to D4, E
3. Other documents please specify

Annexure: D-1

PARTICULARS TO BE FURNISHED FOR THE PURPOSE OF APPOINTMENT OF THE MARKET RISK CONSULTANT

| S.No | Description | |
|------|---|--|
| 1 | Name of the firm | |
| 2 | Firm No. allotted by ICAI* | |
| 3 | Address | |
| 4 | Email | |
| 5 | Contact number/s (Tel/Mobile) | |
| 6 | Office address of Mumbai (if different from 3 above) | |
| 7 | Presence in how many towns in India.(Provide Address) | |
| 8 | Year of establishment | |
| | No. of completed years for which practicing in India as on 31.03.2016 | |
| 9 | Name/s of partners * (membership certificates issued by ICAI should be enclosed) | |
| 10 | Name of Partners Stationed at Mumbai | |
| 11 | Person(s) proposed to be assigned for the services and his/their profiles | |
| 12 | Name, address and account number of the firm's banker(s) | |
| 13 | PAN of the firm * | |
| 14 | Service Tax registration number of the firm * | |
| 15 | Number of Employees | |
| 17 | Number of Employees in the firm with MBA. | |
| 18 | Number of Employees who have professional qualification in Risk Management/CFA. | |
| 19 | Net worth as on 31.03.2017. | |
| 19 | Turnover during last three financial years | |
| | 2014-15 | |
| | 2015-16 | |
| | 2016-17 | |
| 20 | Details of major assignments. | |
| 21 | Any other information considered relevant. | |

(Please attach separate sheets if space is not sufficient in any row, duly mentioning the row number and description)

Place:

Authorised Signatory

Date:

(Name)

Seal

* Self attested copies in support of the information should be submitted

Annexure: D-2

PARTICULARS IN RESPECT OF RISK MANAGEMENT PROJECTS OF PUBLIC/ PRIVATE SECTOR BANKS HAVING BALANCE SHEET OF RS 50,000 CRORES OR MORE AS ON 31.03.2017 DURING LAST FIVE YEARS

| SR.NO | NAME OF THE BANK | Scope of Audit | Period of Audit | PERSON IN CHARGE FROM CLIENT SIDE WITH CONTACT NUMBER AND EMAIL ID. |
|-------|------------------|----------------|-----------------|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

*Each assignment should be supported by copy of appointment letter issued by the respective bank

Authorised Signatory

(Name)

Seal

Note: Copy of the bank's appointment letter in support of the information above should be submitted.

DETAILS OF PARTNERS AND Qualified Employees ON FIRM'S PAYROLL

| SR.NO. | NAME | Capacity (Partner/ Employee) | Qualification (MBA/FRM/ CFA) | CA MEMBERSHIP NUMBER (if Applicable) | EXPERIENCE | YEARS WITH THE FIRM | REMARKS |
|--------|------|------------------------------------|------------------------------------|--|------------|------------------------|---------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Authorised Signatory

(Name)

Seal

Self-attested copies of certificates of CA membership/DISA/CISA should be submitted.

PARTICULARS IN RESPECT OF MARKET RISK TRANSFORMATION AND IMPLEMENTATION AT WHOLE ORGANIZATION
LEVEL FOR INSTITUTIONS ENGAGED IN FINANCIAL SERVICES DURING LAST FIVE YEARS

| SR.NO | NAME OF THE ORGANISATION | Period of Contract (from DD/MM/YY to DD/MM/YY) | TYPE OF RISK RELATED WORKS | SCOPE OF WORK | PERSON IN CHARGE FROM CLIENT SIDE WITH CONTACT NUMBER AND EMAIL ID. |
|-------|--------------------------|--|----------------------------|---------------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Authorised Signatory

(Name)

Seal

Note: Copy of the bank's appointment letter in support of the information above should be submitted.

Term of Reference (TOR)
Scope of Work/ Term of Reference

| Sl. No | <u>Risk Areas</u> |
|--------|--|
| 1 | <p>Risks in Treasury Operations at Global Markets and IBG and Control Framework. Development of mechanism for putting in place international best practices in Risk Management in Treasury operations of the Bank. Provide a third party independent view of adequacy of controls.</p> <p style="text-align: right;">Key Deliverables – IT Systems, Modelling, Reports</p> |
| 2 | <p>Review of Policies and Manuals – Extending support for review of the policies incorporating global best practices.</p> <p style="text-align: right;">Key Deliverables – Process, Reports</p> |
| 3 | <p>Valuation of exotic products like Bonds with embedded optionality like CCD, perpetual bonds, step-up bonds, bond with options, CCS, IRS etc.</p> <p style="text-align: right;">Key Deliverables – Modelling, IT Systems, Training, Reports</p> |
| 4 | <p>Model validation – validation of various market risk models and providing template.</p> <p style="text-align: right;">Key Deliverables - Modelling, IT Systems, Training, Reports</p> |
| 5 | <p>NOOP – validation and reconciliation of various components of NOOP between the front office and back/mid office. Control Framework for monitoring of various components of NOOP.</p> <p style="text-align: right;">Key Deliverables – Documentation, Process, IT Systems</p> |
| 6 | <p>Portfolio optimization employing models like Efficient frontier portfolio, Minimum variance portfolio, Optimal portfolio</p> <p style="text-align: right;">Key Deliverables - Documentation, Process, IT Systems</p> |
| 7 | <p>Risk Adjusted Performance Analysis of Portfolios viz. Sharpe ratio, Information Ratio, Sortino ratio, Jensen alpha, Treynor measure etc.</p> |

| | |
|----|---|
| | Key Deliverables - Documentation, Process, IT Systems |
| 8 | Risk Budgeting and Risk based capital planning for Treasury Operations. Key Deliverables - Modelling, IT Systems, Reports |
| 9 | Computation of RAROC, maximization of Economic Value Addition (EVA) and RAROC with allocated and consumed capital, RAROC based pricing, Deal/ Product level RAROC for Treasury Operations at Domestic and Foreign Offices. Key Deliverables - Documentation, Process, IT Systems |
| 10 | Computation of CVA & DVA and other value adjustment (xVA) to derivative trades Key Deliverables - Modelling, IT Systems, Process, Reports |
| 11 | Capital computation as per Revised Market Risk Guidelines of Basel. Identifying gaps in existing data, process and systems Key Deliverables - Documentation, Process, IT Systems |
| 12 | Framework for computation of market illiquidity for the securities, derivatives and forex positions of the Bank. Key Deliverables – Documentation, Modelling, IT Systems, Process |
| 13 | Implementation of Standardized Approach –Counterparty Credit Risk (SA-CCR) Key Deliverables - Modelling, IT Systems, Process, Training |
| 14 | Stress Testing for Market Risk based on Indian and Global Risk factors. Key Deliverables – Modelling, IT Systems, Reports |
| 15 | Validation of Hedge Effectiveness Testing module and Hedge Accounting module in Finacle Treasury and also in Murex (IBG) Key Deliverables - Modelling, IT Systems, Process |

| | |
|----|--|
| 16 | Validation of Stress Testing Module in Finacle Treasury - (IBG) Key Deliverables - Modelling, IT Systems, Process |
| 17 | Developing the scenario based multi-currency IRRBB models and testing/ validating the scenarios and documenting the approach, as envisaged by RBI – (ALM) Key Deliverables - Documentation, Modelling, IT Systems |
| 18 | Reverse stress testing models (qualitative and quantitative) for IRRBB as well as Liquidity Risk – (ALM) Key Deliverables - Documentation, Process, Modelling, IT Systems |
| 19 | Full life-cycle implementation of Model Risk Management – Liquidity Risk and Interest Rate Risk – (ALM) Key Deliverables - Modelling, IT Systems, Reports |

All the items should be supported by MIS framework, assistance in implementation in the identified application and transfer of knowledge/training to the staff. The market risk capabilities should be built based on projected growth and incoming Global and Indian regulations.

Definition of Key Deliverables

- 1. Documentation** – This deliverable should include providing a comprehensive document related to any process, procedure, policy, model as mentioned in the requirement. It should also include assessment of existing Systems, Gap Analysis, proposed changes, rationale for change and detailed implementation program.

- 2. Process** – This deliverable should include the evaluation of existing processes, the proposed changes / new processes, governance structures with complete flow chart pertaining to implementation. This deliverable should also cover actual implementation of the proposed processes by identifying resources, roles and responsibilities and process flows in the organization with adequate levels of Control and Validation along with relevant documentation.

- 3. Modeling** – This deliverable should cover the identification, acquisition, development and implementation of Structures / Methodology / Risk Analytics / Risk Tools / Mechanisms as applicable to the listed requirements. It should also be supported by requisite IT Systems as defined in the “IT System” deliverables along with the relevant documentation (including detailed description of design, data inputs, development process and process for ongoing refinement).

- 4. IT System** – This deliverable should include the detailed documentation of the required IT System (including blue print and specifications) and define interface requirement with Bank’s existing IT architecture / infrastructure (including those implemented / under implementation / decided or proposed for implementation). It should also cover arranging for solutions (requirement specifications) and facilitating the testing and implementation of the IT Systems. The proposed IT Systems (whether internally developed or supplied by vendor) should have scalable capabilities which specification would require to be detailed.

PERFORMANCE BANK GUARANTEE FORMAT***(TO BE STAMPED AS AN AGREEMENT)***

THIS PERFORMANCE BANK GUARANTEE AGREEMENT executed atthis.....day of 201 by (Name of the Bank)..... having its Registered Office atand its Branch at(hereinafter referred to as "the Guarantor", which expression shall, unless it be repugnant to the subject, meaning or context thereof, be deemed to mean and include its successors and permitted assigns) **IN FAVOUR OF** State Bank of India, a Statutory Corporation constituted under the State Bank of India Act, 1955 having its Corporate Centre at State Bank Bhavan, Nariman Point, Mumbai and one of its offices at----- (**procuring office address**), hereinafter referred to as "SBI" which expression shall, unless repugnant to the subject, context or meaning thereof, be deemed to mean and include its successors and assigns).

WHEREAS M/s _____, incorporated under _____ Act having its registered office at _____ and principal place of business at _____ (hereinafter referred to as "**Service Provider/ Vendor**" which expression shall unless repugnant to the context or meaning thereof shall include its successor, executor & assigns) has agreed to develop, implement and support (name of Services) (hereinafter referred to as "**Services**") to SBI in accordance with the Request for Proposal (RFP) No. SBI:xx:xx dated dd/mm/yyyy.

WHEREAS, SBI has agreed to avail the Services from the Service Provider for a period of _____ year(s).

WHEREAS, in accordance with terms and conditions of the RFP/Purchase order/Agreement dated....., Service Provider is required to furnish a Bank Guarantee for a sum of Rs. _____/- (Rupees _____ only) for due performance of the obligations of the Service Provider in providing the Services, in accordance with the RFP/Purchase order/Agreement guaranteeing payment of the said amount of Rs. _____/- (Rupees _____ only) to SBI, if Service Provider fails to fulfill its obligations as agreed in RFP/Agreement.

WHEREAS, the Bank Guarantee is required to be valid for a total period of _____ months and in the event of failure, on the part of Service Provider, to fulfill any of its commitments / obligations under the RFP/Agreement, SBI shall be entitled to invoke the Guarantee.

AND WHEREAS, the Guarantor, at the request of Service Provider, agreed to issue, on behalf of Service Provider, Guarantee as above, for an amount of Rs. _____/- (Rupees _____ only).

NOW THIS GUARANTEE WITNESSETH THAT

1. In consideration of SBI having agreed to entrust the Service Provider for rendering Services as mentioned in the RFP, we, the Guarantors, hereby unconditionally and irrevocably guarantee that Service Provider shall fulfill its commitments and obligations in respect of providing the Services as

mentioned in the RFP/Agreement and in the event of Service Provider failing to perform / fulfill its commitments / obligations in respect of providing Services as mentioned in the RFP/Agreement, we (the Guarantor) shall on demand(s), from time to time from SBI, without protest or demur or without reference to Service Provider and notwithstanding any contestation or existence of any dispute whatsoever between Service Provider and SBI, pay SBI forthwith the sums so demanded by SBI in each of the demands, subject to a cumulative maximum amount of Rs. _____/- (Rupees _____ only).

2. Any notice / communication / demand from SBI to the effect that Service Provider has failed to fulfill its commitments / obligations in respect of rendering the Services as mentioned in the Agreement, shall be conclusive, final & binding on the Guarantor and shall not be questioned by the Guarantor in or outside the court, tribunal, authority or arbitration as the case may be and all such demands shall be honoured by the Guarantor without any delay.
3. We (the Guarantor) confirm that our obligation to the SBI, under this guarantee shall be independent of the agreement or other understandings, whatsoever, between the SBI and the Service Provider.
4. This guarantee shall not be revoked by us (the Guarantor) without prior consent in writing of the SBI.

WE (THE GUARANTOR) HEREBY FURTHER AGREE & DECLARE THAT-

- (i) Any neglect or forbearance on the part of SBI to Service Provider or any indulgence of any kind shown by SBI to Service Provider or any change in the terms and conditions of the Agreement or the Services shall not, in any way, release or discharge the Bank from its liabilities under this Guarantee.
- (ii) This Guarantee herein contained shall be distinct and independent and shall be enforceable against the Guarantor, notwithstanding any Guarantee or Security now or hereinafter held by SBI at its discretion.
- (iii) This Guarantee shall not be affected by any infirmity or absence or irregularity in the execution of this Guarantee by and / or on behalf of the Guarantor or by merger or amalgamation or any change in the Constitution or name of the Guarantor.
- (iv) The guarantee shall not be affected by any change in the constitution of SBI or Service Provider or winding up / liquidation of Service Provider, whether voluntary or otherwise
- (v) This guarantee shall be a continuing guarantee during its validity period and the SBI can make its claim in one or more events within the total liability of the Guarantor mentioned herein.
- (vi) This Guarantee shall remain in full force and effect for a period of ___ years from the date of the issuance i.e. up to _____. Unless a claim under this Guarantee is made against us within three (3) months from that date i.e. on or before _____, all your rights under this Guarantee shall be forfeited and we shall be relieved and discharged from all liabilities there under.
- (vii) This guarantee shall be governed by Indian Laws and the Courts in Mumbai, India alone shall have the jurisdiction to try & entertain any dispute arising out of this guarantee.

Notwithstanding anything contained herein above:

(a) Our liability under this Bank Guarantee shall not exceed Rs...../- (Rupeesonly)

(b) This Bank Guarantee shall be valid upto.....

c) We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if SBI serve upon us a written claim or demand on or before (date which is 3 months after date mentioned at (b) above).

Yours faithfully,

For and on behalf of Bank.

Authorized official