

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
1	19	27 I, ii,iii	Right to audit	Please elaborate further on the audit requirements in the context of the proposed credit risk project	Bank has right to audit process of execution of the assignment.
2	20	28	Subcontracting not permitted	Would the bank be open to a model in which the bidder takes sole responsibility of service delivery, but leverages resources from a third party with whom they have long standing working relationship? Or from an another sister entity belonging to the bidder's group?	No Subcontracting in any form is not permitted.
3	48	1	Description of services	Can a bidder bid for only some modules out of the nine modules in scope?	A bidder has to bid for all the modules.
4	48	1	Description of services	Can we get some insight on the current portfolios to better size the build and validation efforts ? Is that possible to get the following information : segmentation of the overall portfolio into different PD, LGD and EAD models, and for each segment the total size (assets and provisions) ?	The number of PD, LGD and EAD models are already provided in Scope. Rest of the information are confidential in nature and cant be shared at this juncture.
5	48	1	Description of services	Has the bank already performed some prioritisation of the models to be validated / enhanced out of the total number of models listed in Modules 5,6,7,8?	The prioritisation will be decided, based on the work plan suggested by the selected Consultant
6	48	1	Description of services	Can the bank share which default and which history of it is available on the different segments ?	The data is confidential in nature and hence can't be shared at this juncture.
7	48	1	Description of services	Does the bank have internal resource who can be mobilise by the bidder to join the model build or validation efforts? I.e. internal resources to integrate the bidder's team and deliver under the bidder's supervision	No such scenario has been envisaged by the Bank
8	48	1	Description of services / Modules 1&2	How does the bank plan to manage dependencies between work to be done on the model enhancements (especially Modules 5, 6, 7) vs. starting the work on Modules 1&2? As the design and calibration for Models under modules1&2 requires the enhancements for models covered in Modules 5-7 to be well underway ? Is the bank fine with the work on modules 1&2 starting once Modules 5-7 have done progress or does the bank has specific timelines to meet ?	The prioritisation will be decided, based on the work plan suggested by the choosen Consultant
9	48	1	Description of services / Modules 3&4	Can the bank share a view of these portfolios in terms of assets, and number of customers? For Banks, NBFIs, Insurers split by life and non-life, securities firms, sovereigns, development banks and other international organizations, ... Does this include rating to be applied to bond holdings as well?	The data is confidential in nature and hence can't be shared at this juncture.
10	49	1	Description of services / Modules-5-8	Does the bank need to maintain independency between the resources doing the validation vs. those doing the model enhancements ? If so, can an approach with two different ring-fenced teams from the same bidder be considered ?	It has to be as per Best Industry Practices and in line with the Regulatory guidelines. These need to be separate.
11	49	1	Description of services / Module 8	Could the bank please clarify the nature of the CRA models and give a brief description?	These are the Rating models, being used by the Bank for carrying out Internal Rating of the borrowers.
12	50	1	Description of services / Module 9	Can you please confirm that the scope is restricted to macro-economic stress tests for credit risk only ?	Yes
13	50	1	Description of services / Module 9	Is the scope of the stress tests limited to banking book, or also traded assets?	It has to cover all the Credit Risk area
14	50	1	Description of services / Module 9	What is the planned use for the macro stress tests: Capital forecasting under Pillar 1 or 2 of Basel, for loss forecasting, scenario analysis, for early warning, as input / component for IFRS9, ...?	The output will be used for various internal and regulatory purposes.
15	50	1	Description of services / Module 9	How does the bank plan to coordinate between these macro-economic stress tests and the macro-sensitive forward looking PD/LG models to be developed under modules 1&2? Will the bank aim at having a single set of models or two ?	No interlinkage has been envisaged by the Bank as of now. Will be decided based on the inputs provided by the selected consultant.

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
16	51	2	Description of deliverables / Module-9	Does the bank expect only stress testing models to be developed, or a more global framework including governance, processes, etc.?	Model to be developed and provided by the consultant. Required support for implementation to be provided.
17	N/A	N/A	Format of the proposal	Is the Bank flexible on the format of the proposal, i.e. can we submit the same in word or ppt format?	Word format will be preferred.
18	19	27	The Selected Bidder (Service Provider) shall be subject to annual audit by internal/ external Auditors appointed by the Bank/ inspecting official from the Reserve Bank of India or any regulatory authority, covering the risk parameters finalized by the Bank/ such auditors in the areas of Services provided to the Bank and Service Provider is required to submit such certification by such Auditors to the Bank.	We request the bank for the changes to the following wrt to clause that " We can provide the client or its auditor (bound by respective confidentiality obligations) upon request of the latter with all the information and documents directly related to the engagement, without granting access to the Firm's premises."	Bank has right to audit process of execution of the assignment.
19	23	34.vi	All Work Product prepared by the Service Provider in performing the Services shall become and remain the sole and exclusive property of the Bank and all Intellectual Property Rights in such Work Product shall vest with the Bank	We request the ammendments to the clause as stated "We would specifically preserve our right to use the methodology or the Material underlying it for other engagements, as long as we do not use or disclose our client confidential or pre-existing proprietary information. This includes eneral professional experience, tools or third-party software etc. and that is reflected in deliverables"	No change in RFP terms
20	23	35	If each module is not completed as per timelines agreed by the consultant and the Bank, the consultant shall pay as delay penalty, a sum calculated at the rate of 0.50% of the price due and payable upon successful handover of each module and acceptable by the Bank, for every month of delay or part thereof up to a maximum of 5% of the contract price. (subject to the completion of all the modules in total project period of 05 months).	Request the bank to consider the change highlighted in bold: If each module is not completed as per timelines agreed by the consultant and the Bank and the delay is attributable solely to the consultant , the consultant shall pay as delay penalty, a sum calculated at the rate of 0.50% of the price due and payable upon successful handover of each module and acceptable by the Bank, for every month of delay or part thereof up to a maximum of 5% of the contract price. (subject to the completion of all the modules in total project period of 05 months).	No change in RFP terms

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
21	25	36 ii (g)	a Bidder who has been engaged by the Bank to provide goods or works or services for a project, and its Members or Associates, will be disqualified from providing consulting services for the same project save and except as provided herein; conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and its Members or Associates, will be disqualified from subsequently providing goods or works or services related to the same project.	Will there be a automatic disqualification of the chosen consultant from future Credit Risk related projects such as CRM management audit, system configuration and testing etc.	They will be not eligible to apply for the same project of Credit Risk Management for the period of 2 years after the date of completion. The entity may bid for other Credit Risk Management projects.
22	25	36 iv	A Bidder eventually appointed to provide consultancy services for this Project, and its Associates & Subsidiaries, shall be disqualified from subsequently providing goods or works or services related to the Project and any breach of this obligation shall be construed as Conflict of Interest; provided that the restriction herein shall not apply after a period of 2 (two) years from the completion of this assignment or to consulting assignments granted by the Bank at any time; provided further that this restriction shall not apply to consultancy/ advisory services performed for the Bank in continuation of this Consultancy or to any subsequent consultancy/ advisory services performed for the Bank in accordance with the respective RFP or proposals.	Will there be a automatic disqualification of the chosen consultant from future Credit Risk related projects such as CRM management audit, system configuration and testing etc.	They will be not eligible to apply for the same project of Credit Risk Management for the period of 2 years after the date of completion. The entity may bid for other Credit Risk Management projects.
23	27	38.i	TERMINATION FOR DEFAULT	In addition to the termination for default clause stated by the bank, we'd like to propose inclusion of the following : "Service Provider may terminate this Agreement, or any particular Services, immediately upon written notice to Bank if Service Provider reasonably determine that Service Provider can no longer provide the Services in accordance with applicable law or professional obligations."	No change in RFP terms

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
24	72	8.6	All Work Product prepared by the Consultant in performing the Services shall become and remain the sole and exclusive property of the Bank and all Intellectual Property Rights in such Work Product shall vest with the Bank.	We request the ammendments to the clause as stated "We would specifically preserve our right to use the methodology or the Material underlying it for other engagements, as long as we do not use or disclose our client confidential or pre-existing proprietary information. This includes eneral professional experience, tools or third-party software etc. and that is reflected in deliverables"	No change in RFP terms
25	83	20.1	Right to Audit	We request the bank for the changes to the following wrt to clause that " We can provide the client or its auditor (bound by respective confidentiality obligations) upon request of the latter with all the information and documents directly related to the engagement, without granting access to the Firm's premises."	Bank has right to audit process of execution of the assignment.
26	30	45.ii	The quotes prices and taxes , duties & statutory levies should be specified separately	Request to kindly confirm if there would be any travel/visits required by the vendor outside Mumbai, if yes would the cost for the same be reimbursed by the Bank	No travel/ visit (outside Mumbai) is envisaged under the present scope of work.However, it may be required in exceptional scenario and cost reimbursement will be done as per Banks terms (only when such travel is approved by Bank).
27	37	Appendix B (S No 4)	"Qualifying partners" and ICAI	We humbly submit that ICAI and qualifying partners terms is not relevant to this RFP as this is not a statutory audit RFP, these terms have no relation whatsoever with the scope of work of Operational risk management and hence we request these to be deleted	Consultant can submit auditor/ CA certificate stating proposed team having prior experience of Credit Risk Management Projects.
28	37	Annexure B (S No 5)	Bidder should have undertaken consultancy project for Credit risk and its implementation, of at least two Banks /Financial Institutions (with minimum balance sheet size of Rs 2,00,000 crores) during past three years	We request the bank if we can submit masked engagement letters as supporting documents due to confidentiality of the nature of assignments done	We are looking for the name of the clients along with contact details where firm has undertaken similar projects. Company should arrange for conference calls, if necessary.
29	38	Appendix B (S No 6)	Turnover criteria for global MNC	Legally speaking every entity operating in India is an Indian entity either under companies act or LLP act. Hence we suggest that there should be only be criteria of 500 Crores for all bidders.	No change in RFP terms
30	38	Annexure B (S No 9)	Bidder should have experience of minimum 10 years in providing consultancy services in field of credit risk management	Would the Bank also consider global projects for the purpose of this criteria?	Subject to assignment being carried out in USA, Europe, Australia, Hong Kong, Singapore, China and Japan.
31	38	Appendix B (S No 11)	Certification Requirements	What kind of data or information does the bank need in this certification as ICAI registration is not relevant for his RFP	Auditor / CA certificate certifying that frim is registered under Company's Act/ LLP Act/ Partnership Act.
32	40	Appendix C (S No 1)	Past assignments of similar nature	Kindly clarify the meaning of the same, do it include banking or non banking? India or overseas ? CRM only or ERM/GRM/Basel compliance, etc	Past assignments of Credit Risk related projects in Banks/ Financial institutions either in India or abroad(USA, Europe, Australia, Hong Kong, Singapore, China and Japan only).

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
33	40	Appendix C (S No 1)	Assignment in Banking sector	Will the bank consider Credit Risk related assignments done in banking sector only?	Risk assignment in Banking sector.
34	40	Appendix C (S No 1)	Risk related assignment carried out in overseas jurisdiction	Will the bank consider Credit Risk related assignments done in overseas jurisdiction only?	Any types of Risk assignment in overseas jurisdiction.(USA, Europe, Australia, Hong Kong, Singapore, China and Japan only).
35	40	Appendix C (S No 1)	Risk related assignment carried out in overseas jurisdiction	WE donot have approval from overseas clients to submit documentary proofs, can we give auditor / CA certificate certifying the details of overseas engagements.	Consultant need to provide proof of risk related assignment in overseas jurisdiction or Auditor / CA certificate certifying the details of overseas engagements.
36	40	Appendix C (S No 1)	Risk related assignment carried out in overseas jurisdiction	Should the consultant provide proof and declaration that bidding entity was part of the delivery team for assignment carried out in overseas jurisdiction? Whether the bidding entity should also submit the high level scope, no. of team members involved etc?	Consultant need to provide proof of risk related assignment in overseas jurisdiction or Auditor / CA certificate certifying the details of overseas engagements.
37	41	Appendix C (S No 2)	No of partners in the firm	We have hundreds of partners in the firm. Does SBI want to know number of partners in risk management domain only for this criteria ?	Consultant need to provide the numbers of partners in the firm and partners in risk management domain.
38	42	Appendix C (S No 3)	Turnover	Legally speaking every entity operating in India is a Indian entity either under companies act or LLP act. Hence we suggest that there should be only on criteria of 500 Crores for all bidders.	No change in RFP terms
39	43	Appendix C (Details of Partners and Qualified Employees to be assigned for the proposed project)	Qualification (MBA/FRM)	The scope of the RFP includes components of statistical modelling such as stress testing and risk system components such as changes to OFSAA platform. Hence request the Bank to enhance the scope of the qualification to include the following: CFA, CA, ICWA, PG Diploma (risk Management/banking), Bachelor in IT/Engineering/Computer Science/Statistics/Quantitive Finance	Bank is looking for qualification of Partners / EMPLOYEES IN THE Risk Management are as mentioned in RFP. However, equivalent / higher qualification will be considered on case to case basis.
40	48	Scope 01	Module 1&2 – Development of forward looking PD Model/LGD Model	Does the Bank already have any models in place for forward looking PD/LGD? Would the forecasts be developed by the Bank internally or does the Bank intend to use external benchmarks for the same?	No, currently forward looking PD/LGD models are not in place. Forecast can be internal or external, will be decided by Bank, based on input from the selected consultant.
				For external data, would the Bank be sourcing/providing the same or would the vendor be expected to source and prepare the data?	Initial sourcing of External data is to be done by the consultant
				Please explain "The models should be dynamic enough to generate results at quarterly / yearly basis" . Does this mean that the bank's ask for the granularity is limited to quarterly and not monthly?	This means that the model should have the flexibility to be run at quaterly basis also.
				What are the portfolios included in "various portfolio and sub portfolios of the Bank." ? i.e Corporate/Retail/SME etc ??	All the Credit Risk portfolio is to be covered.
				What is the estimated size of the portfolios in terms of: a. No. of years of data b. Avg. count/exposure of account per snapshot year	The data is confidential in nature and hence can't be shared.
				What is the length of observed PD/LGD data available for the past years?	The data is confidential in nature and hence can't be shared.

Reply to Pre-Bid Queries of Consultants

SI. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
41	48-49	Scope 01	Module 3&4- PD/LGD model for Low default portfolios	How does the bank account for LGD for its low default portfolios currently?	No Model is available at present.
				How many portfolios can be classified as low defaults and what is the average default count for these portfolios?	Low default portfolios , don't have default in general. It covers Sovereign, Banks, NBFC etc.
				Does the bank have a uniform threshold defined for classifying the low default portfolio?	To be decided based on regulatory guidelines and based on inputs from the selected consultant.
				We presume the bank intends to compute the forward looking component for these models as well. Please clarify.	Forward looking components are to be calculated for the entire Portfolio.
42	49	Scope 01	Module 5,6 & 7: Validation and Enhancement of the existing PD models	Validation of PD/LGD/EAD models: The RFP quotes " <u>As on date Bank has 35 PD models</u> ". Please give the breakdown of portfolios in terms of : a. Portfolio type - i.e. retail, corporate, SME etc. b. Model Age – Time since the models were developed	The data is confidential in nature and hence can't be shared.
				When were the respective PD/LGD/EAD models developed? How long have these models been in use?	The data is confidential in nature and hence can't be shared.
				Does the bank perform regular model monitoring of the PD/LGD/EAD models?	Yes
				What platform have the models been deployed? How would the historic data be made available to the vendor?	On different platforms
43	49	Scope 01	Module 8: Comprehensive review of CRA framework and its enhancement:	Do all the 23 CRA models have the same policy or are the policy documents independent ?	All the Models have separate Model documents.
				The RFP Quotes " <u>The framework should also consider Impact of Ind AS implementation by corporate borrowers.</u> " Is the consultant required to conduct a full scale impact assessment of the model ?	Yes
44	49	Scope 01	Module 9: Macro Economic Stress testing	The RF quotes: "Stress testing based on macro-economic parameters using different tools" Please provide details regarding: a. What is the exact scope and nature of work expected ? b. Will the different tools be provided by bank ? c. How is the current tress testing being conducted by the bank. d. Our assumption is the stress testing is limited to credit risk areas, kindly confirm.	Current testing is based on the RBI prescribed scenarios and the scenarios developed internally by the Bank. Yes the stress testing has to be done for Credit Risk only. No tools will be provided by the Bank.
45	3	Schedule of Events (SI No 11)	EMD amount of Rs. 10 lacs in form of Demand draft	Can the EMD amount be submitted in the form of BG instead of DD?	No change in RFP terms
46	12	BID PREPARATION AND SUBMISSION 10. iii. (b)	A soft copy (signed scanned copy of the technical Bid) on a pen drive should also be kept in a separate envelope within the envelope of technical Bid.	Please approve if we can replace the CD with Pen Drive as proposal contains confidential information (like financials etc.)	No change in RFP terms

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
47	44	Appendix D (Sl.No.1)	Experience of the Personnel / Employees assigned for the proposed project.	Can the specific criteria for this assessment be clarified?	Experience in relevant field.
48	44	Appendix D (Sl.No.2)	Impact Management and solutions for reduction of Credit Risk	Could you please clarify what this assessment criteria focuses on, and how this will be assessed?	The effectiveness of the models in reducing Credit Risk.
49	44	Appendix D (Sl.No.3)	Professional experience in the required area of assignment, Educational qualification	Please confirm that these are sub parameters to "Suitability of key professionals"	Yes
50	48	Appendix-F (Sl.No. 01)	IFRS compliant PD models are required to be developed for the various portfolio and sub portfolios of the Bank.	Given that RBI has not issued Ind AS guidelines yet, can it be clarified what criteria will be considered for the models to be deemed compliant in the absence of any guidelines during delivery of the project?	Based on the current Industry best Practices being applied in Banks of comparable size and available regulatory guidelines. In case any fresh regulatory guidelines/ amendment to the guidelines are carried, the same has to be considered.
51	48	Appendix-F (Sl.No. 01)	PD and LGD model for Low Default Portfolio	Please identify the portfolios for which Low Default models need to prepared	Low default portfolios , don't have default in general. It covers Sovereign, Banks, NBFC etc.
52	49	Appendix-F (Sl. No. 01)	IFRS compliant PD models are required to be developed for the various portfolio and sub portfolios of the Bank	Can you please identify the specific portfolios and sub-portfolio for which the PD and LGD models are to be developed?	To be decided later based on inputs from the selected consultant.
				Among the portfolios or sub-portfolios, are there any products which were recently launched and hence have short portfolio vintage?	Bank keep on launching products and such cases may exist.
				Given the existing PD & LGD models, how does the Bank expect reviewing / building on top of these models for this module?	To be decided later based on inputs from the selected consultant.
				Can it be confirmed that the existing segmentation of the portfolios and sub-portfolios can be used?	To be decided later based on inputs from the selected consultant.
				Can it be confirmed that the bank will procure necessary macro economic data?	Initial sourcing of External data is to be done by the consultant
53	50	Appendix-F (Sl. No. 02)	Stress testing based on macro-economic parameters using different tools. It should be done at Bank level as well as various granular levels viz Business Unit , Product, Segment etc	Are there any specific tools that the Bank expects to be leveraged / used for the stress testing model to be developed?	To be decided later based on inputs from the selected consultant.
				Can it be clarified how the existing stress testing framework is expected to be leveraged for this engagement?	To be decided later based on inputs from the selected consultant.
54	50	Appendix-F (Sl. No. 02)	Module 8: Comprehensive review of CRA framework and its enhancement. The entire framework needs to be reviewed by the consultant. The consultant needs to come up with suggestions for new framework of CRA.	Could you please clarify what is mean by "suggestions for new framework of CRA"?	Suggestions for upgradation in the CRA framework, in line with the Best Industry Practices.
55	51	Appendix-F (Sl. No. 02)	Module 8: Model documents for all CRA models	Can it be confirmed that the model documentation for CRA models be updated only for those cases where the existing CRA models have been updated, and in those relevant sections?	No change in RFP terms

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
56	51	Appendix-F (Sl. No. 02)	Module 10: Training: Detailed training should be provided to Banks team, regarding each of the deliverables, upto Banks satisfaction, till successful implementation of model.	Given that implementation of the models will be driven by necessary changes in policy / process / technology, can it be confirmed that the training will be deemed complete once the CRMD team acknowledges complete knowledge transfer?	Yes
				Can it be confirmed that all training is expected to be held for the CRMD team in Mumbai?	Yes
57	NA	NA	Scope of Work	Can it be confirmed that the entire scope of work is restricted to Domestic operations and not international operations?	Yes
58	52	Appendix-F (Sl. No. 06)	Payment Schedule	Can the payment schedule be confirmed to be linked to each of the modules, such that there are similarly structured payment milestones?	Payment schedule will be decided with the selected consultant on a milestone basis.
59	NA	NA	NA	Can you please share your expectations of the target engagement timelines, including a target completion date?	Maximum 5 months
60	80	GENERAL INDEMNITY 16.1	Service Provider agrees and hereby keeps the Bank indemnified against all claims, actions, loss, damages, costs, expenses, charges, including legal expenses	Could this clause be removed considering it is too broad to be accepted in its current phrasing?	No change in RFP terms
61	98	Rights and Remedies 3 (b)	Receiving Party shall return all originals, copies, reproductions and summaries of Confidential Information or Confidential Materials at Disclosing Party's request, or at Disclosing Party's option, certify destruction of the same	Can you please confirm that notwithstanding the foregoing, the Receiving Party may retain copies of such confidential information reasonably required to be retained in accordance with law, regulation, professional standards and standard archival processes?	No change in RFP terms
62	93	Annexure B	Key Dates	Please provide the tentative date for starting of the project	Once the Consultant is selected , the project will start, after legal formalities.
63	37	Appendix-B : Bidder's Eligibility Criteria : Point 4 (a)	Bidder should have minimum 5 partners (Qualifying Partners), and at least 10 employees having experience in Credit risk (Qualifying Employees) (as on 31.03.2019).	Kindly change this to : Bidder should have minimum 3 partners (Qualifying Partners), and at least 5 employees having experience in Credit risk (Qualifying Employees) (as on 31.03.2019).	No change in RFP terms
64	38	Appendix-B : Bidder's Eligibility Criteria : Point 5	Bidder should have undertaken consultancy project for Credit risk and its implementation, of at least two Banks /Financial Institutions (with minimum balance sheet size of Rs 2,00,000 crores) during past three years.	Kindly change this to: Bidder should have undertaken consultancy project / Solution implementation for Credit risk and its implementation, of at least two Banks /Financial Institutions (with minimum balance sheet size of Rs 2,00,000 crores) during past three years.	No change in RFP terms

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
65	38	Appendix-B : Bidder's Eligibility Criteria : Point 6	The Bidder must have an average annual turnover of minimum Rs.50 crore for Indian company and Rs 500 crores(Global) for MNC during last 03 (three) financial year(s).	Kindly change this to: The Bidder must have an average annual turnover of minimum Rs.20 crore for Indian company and Rs 500 crores(Global) for MNC during last 03 (three) financial year(s).	No change in RFP terms
66	38	Appendix-B : Bidder's Eligibility Criteria :	The Bidder should be profitable organization on the basis of profit before tax (PBT) for continuous last 03 (three) financial years	Kindly change this to: The Bidder should be profitable organization on the basis of profit before tax (PBT) for any 2 of the last 03 (three) financial years	No change in RFP terms
67	38	Appendix - B : No. 6, 7 & 8	General	Request bank to allow/consider parent company's profit & revenue in case of 100% owned subsidiary	No change in RFP terms
68	40	Appendix-C	Risk related assignment carried out in overseas jurisdiction (Assignment carried out in overseas jurisdiction" , should be limited to assignments in USA, Europe , Australia, Hong Kong , Singapore ,China and Japan)	Kindly include geographies like Africa and Sri Lanka also	No change in RFP terms
69	19	27. RIGHT TO AUDIT		Since the Scope of Audit is very vast kindly clarify the length , frequency and nature of services covered with respect to the details covered by SBI	Bank has right to audit process of execution of the assignment.

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
70	85	22.5	Upon termination or expiration of this Agreement, all rights and obligations of the Parties hereunder shall cease, except such rights and obligations as may have accrued on the date of termination or expiration; the obligation of confidentiality and indemnity; obligation of payment; Governing Law clause; Dispute resolution clause; and any right which a Party may have under the applicable law.	We request the bank that obligations under Indemnity, confidentiality should also be till the expiry of the contract.	No change in RFP terms
71	-	General	-	Since most of the scope is related to IFRS 9, we recommend and assume that experience of bidder in handling IFRS 9 assignment should also be considered for bidder's experience	No change in RFP terms
72	37	Appendix – B Bidders Eligibility Criteria Point #4	a) Bidder should have minimum 5 partners (Qualifying Partners), and at least 10 employees having experience in Credit risk (Qualifying Employee)	What is the definition of Qualifying partners and Qualifying Employees?	Partners / Employees having prior experience of Credit Risk Management projects.
73	37	Appendix – B Bidders Eligibility Criteria Point #4	Documents to be submitted - Constitution Certificate issued by ICAI for	Is the certificate for the bidding firm or the partners and employees? If partners/employees, then Charters from ICAI will work?	Bidding firm
74	38	Appendix – B Bidders Eligibility Criteria Point #9	Bidder should have experience of minimum 10 years in providing the Consultancy Services in field of Credit Risk Management	Will this criteria be diluted or changed? Can the company registration certificate will work? Copy of order or copy of completion of work for projects completed 10 years back would not be possible.	No change in RFP terms
75	38	Appendix – B Bidders Eligibility Criteria Point #11	Certification Requirements	What kind of data or information does the bank need in this certification as ICAI registration is not relevant for his RFP.	Auditor / CA certificate certifying that firm is registered under Company's Act/ LLP Act/ Partnership Act.

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
76	48	Appendix – F Scope of work and payment schedule Module #3 and #4	PD and LGD models are to be developed for the low default portfolio of the Bank viz Banks, NBFC, Sovereign etc.	Can you please provide the more details about total number of low default portfolios and any existing model for low default portfolio currently bank has?	Low default portfolios , don't have default in general. It covers Sovereign, Banks, NBFC etc. We currently don't have PD ,LGD models for low default portfolio.
77	49	Appendix – F Scope of work and payment schedule Module #5, #6 and #7	Validation and enhancement of existing PD/LGD/EAD models for retail and corporate portfolios: PD: 35 Models	1. Are these numbers for both retail and corporate combined or for each portfolio?	These are total numbers, for Domestic portfolio only.
			LGD: 21 Models	2. Are these models for domestic offices or foreign office or both?	
			EAD: 7 Models		
78	58	Appendix – I Penalties	If each module is not completed as per timeline agreed by the Consultant and the Bank, the consultant shall pay as delay penalty, a sum calculated at the rate of 0.50% of the price due and payable upon successful handover of each module and acceptance by the Bank, for every month of delay or part thereof up to a maximum of 5% of the contract price.	1. Does this mean the total time for completing the project 5 months? Please share the timelines for each module and overall project.	Detailed project plan to prepared by the selected Consultant, with the objective of completing the entire project on time.
			(subject to the completion of all the modules in total project period of 05 months).		
				2. Delays for the reason not attributable to consultant will not be penalised.	No change in RFP terms
79	50	Appendix – F Scope of work and payment schedule Module #8	Based on the suggestions accepted by the Bank, the consultant needs to develop new CRA models, if required. The framework should also consider Impact of Ind AS implementation by corporate borrowers.	Are the implementation of CRA model is a part of this contract? If yes, what is the deadline for the implementation?	Implementation has to be done by Bank's internal team. However, the required support is to be provided by the selected consultant.

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
80	48	Appendix – F Scope of work and payment schedule Module #1, #2 and #3	1. IFRS compliant PD models are required to be developed for the various portfolio and sub portfolios of the Bank.	1. Are all these models required to be compliant with IFRS only? Are these models required to be compliant with Ind AS 109 or any other regulatory guidelines as well?	It should be compliant to other Regulatory/ RBI / Basel guidelines, including Ind AS also.
			2. IFRS compliant LGD models are required to be developed for the various portfolio and sub portfolios of the Bank.	2. Only the development of the framework, methodology and documentation for these models is a part of scope for this project not the implementation. Please clarify on that.	Implementation of the model will be handled by Banks internal team. However, the required support is to be provided by the selected consultant.
			3. PD Models for low default portfolio: The models are required to be both IFRS and IRB compliant.		
81	51	Appendix – F Scope of work and payment schedule - Description of deliverables module #10	Module 10: Training: Detailed training should be provided to Banks team, regarding each of the deliverables, upto Banks satisfaction, till successful implementation of model.	Training till the successful implementation of the model. Please clarify whether implementation is not a part of this project and if the implementation keeps going on more than the stipulated timeline of project, will the training be provided for that additional time?	Training is to be provided till successful implementation of the respective model.
82	43	Details of Partners and Qualified Employees to be assigned for the proposed project	Qualification (MBA/FRM)	We understand that these qualifications are only for indication purpose. CA/CFA/PhD/MS in Quantitative Finance will also be considered as qualification.	Bank is looking for qualification of Partners / EMPLOYEES IN THE Risk Management are as mentioned in RFP. However, equivalent / higher qualification will be considered on case to case basis.

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
83	49	Appendix – F Scope of work and payment schedule - Description of deliverables module #5, #6 and #7	Based on results of the validation, the consultant should also suggest enhancement in the models.	After the validation, the suggestion about the enhancement will be a part of this project's scope, not the implementation. Please clarify for the same.	Implementation of the model will be handled by Banks internal team.
84	52	Appendix – F Scope of work and payment schedule - Payment Schedule	The Payment schedule will be decided by the Bank at later stage.	Can this clause be modified "Payment schedule will be decided by the mutual agreement between the bank and consultant before finalizing the SLA"?	Payment schedule will be decided with the selected consultant on a milestone basis.
85	53	Appendix G –Commercial Price Bid	Total Cost *	We understand that the total cost is defined as GST included and the GST will also be reported separately. Please clarify.	Detailed required for better clarity.
86				Forward looking PD-LGD models - new models required altogether or leveraging of existing models is preferred? What is the number of forward looking PD & LGD model? Same as PD & LGD model number stated in RFP? Do you want new PIT model vs TTC to PIT conversion of existing model?	No forward looking models are being used by the Bank currently.
87				It appears that there are no PD-LGD models for low default portfolio. Is this understanding correct? How many portfolios would be there and for how much historical data is available.	Low default portfolios , don't have default in general. It covers Sovereign, Banks, NBFC etc. We currently don't have PD ,LGD models for low default portfolio.
88				Stress testing scenarios - would they be defined by the bank.	
89				Is CRA credit rating assessment? Is it internal rating framework with scope limited only for corporates?	Yes, it is the internal models for rating of the borrowers.

Reply to Pre-Bid Queries of Consultants

Sl. No	RFP Page No	RFP Clause	Existing Clause	Query / suggestion	Draft Reply
90				Granular impact of stress testing on BU/SEGMENT/product only when existing model can distinguish between granularities?	Will be decided by the Bank, based on Input provided by the selected consultant.
91				As per RFP expectation is model development & implementation is out of scope. Hope this understanding is correct.	Implementation will be done by the internal team of the Bank.
92				How many Forward looking PD and LGD models should be required and what segments should be covered	The exact number of Forward looking PD and LGD models will be decided based on the input provided by the consultant. However, these are expected to be similar to the number of existing PD and LGD models. All the segments involving Credit Risk are required to be covered.
93				Time till which the Bank can carryout the audit exercise.	Till three months after end of the project
94				How many Low default PD Models will be required.	3 low default PD models will be required.
95				How Many Low Default LGD Models will be required.	3 low default lgd models will be required.