



UCO Bank
Head Office
Risk Management Department
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Kolkata - 700 001

REF NO: HORM/RFP/ 118 /2020-21

Date: 29/05/2020

Request for Proposal (RFP) Engagement of a Credit Rating Agency for recalibration/design/vetting of the Internal Credit Rating Models and hoisting on Bank's portal

RFP REF NO: RFP REF NO: HORM/RFP/24 /2020-21 Dated: 30/04/2020

Pre-Bid Responses/ Clarifications to Queries raised by the Bidder(s), Amendments, Addendums and Corrigendum

Sl No	Page No	Clause No	Clause as per RFP	Description of Queries/ Clarification sought by Bidder(s)	Bank's Response
1	9	6	System based data flow to be introduced into the new rating models	<p>1. Does the Bank expect a web based IT system implementation to host the credit models and an associated workflow based system for approvals / sanction? If Yes, please share detailed requirements around the functionalities required in the proposed software.</p> <p>2. Is this software also expected to host Bank's existing retail scorecard?</p> <p>3. Details about the expected number of concurrent users on the system and the expected volumes per year for each model.</p>	<p>1. Yes, will be shared with the selected bidder</p> <p>2 Yes</p> <p>3. Concurrent Users: 100 (One Hundred) (approximately)</p>

2	9	6	Data flow to and fro Early Warning Signal (EWS)	Whether this means that the credit models should incorporate parameters from UCO Bank's existing EWS system	The proposed Credit Rating Models to be integrated with Bank's LMS/CBS/CRSS/EWS System
3	9	6	Data flow of SMA 0, 1, 2 NPA status	Please confirm whether this means that the credit models should incorporate SMA/NPA status from UCO Bank's NPA system	SMA/NPA status to be captured from CRILC
4	9	6	Data flow of external events and Macro Economic triggers that may cause rating change	What will be the source system for macro economic and external data triggers from where this data flow will happen	The proposed Credit Rating Models to be integrated with Bank's LMS/CBS/CRSS/EWS System
5	9	6	The new Dynamic Credit Rating model should be compatible for Quarterly/Half-Yearly/Annual Review	Does the Bank expect a separate purely quantitative scorecard based on quarterly and half yearly financials?	For compliance of EASE in addition to Annual Rating, Quarterly Rating to be conducted for listed entities and Half Yearly Rating for unlisted entities.
6	9	6	Litigation listing to be incorporated GST Return – Compliance, Co-relation with Production / Sales Environmental issues having impact on business	1. Please confirm whether this means that the credit models should include litigation parameters and GST data? 2. Also, what will be the source of these data points from a system implementation perspective, if a IT solution is needed to host these models	1) The Credit Model should have a field for capturing data on litigation against the Company/Borrower 2) The Credit Model should have a field for capturing GST data 3) The Credit Model should have a field for capturing data on Environmental issues 4) Bank's existing early warning signal to be integrated with Credit Rating Models
7	8	6	Fifteen (15) Internal Credit Rating Models to be developed for different categories of borrowers	Whether the Bank is willing to procure off the shelf models or the expectation is to develop models based on Bank's historical data	Off- the- shelf models to be examined, if it full fills the requirement under the scope of work Bank may accept
8	28	Annexure 6	Instructions to be noted while preparing/submitted the Bid	Given the current lockdown situation induced by COVID 19 pandemic and	Hard copy is required

				challenges in managing the logistics of hard copy submission, we request the bank to accept bids online or through the medium of email	
9	6	3	Objective - Engagement of a Consultant for recalibration / design / vetting of the Internal Credit Rating Models and hoisting on Bank's portal	Which system does the Bank plan to host the models on. If this is Bank's internal system please define the scope of work for bidder in terms of hosting of the developed and finalized models on Bank's portal.	Bank's Internal System
10	8	6	Scope of Work	Are the corporate models supposed to be statistically developed?	Yes
11	8	6	Scope of Work	Only retail models/scorecards need to be validated, no validation is required on corporate models?	Validation is required for all Models (Corporate+Retail)
12	9	6	Scope of Work	How does the Bank plan to integrate data sources like credit bureau into the scorecard?	The selected bidder has to come out with solutions
13	13	15	Evaluation process	Keeping in mind importance of quality of the critical deliverables under this RFP due weightage to the technical aspects may be given and adopt a quality and cost based selection.	as stated in the RFP
14	11	8.1	During empanelment period, the Bank reserves the right to terminate the engagement of the Bidder. The Bank's decision will be final in this regard.	Clause for termination is arbitrary and onerous in nature, request Bank to agree that termination should be triggered due to default on the terms of the agreement. Also request Bank to provide rights of representation to the bidder and sufficient time/cure period to make good any such alleged default on the side of the bidder	as stated in the RFP

15	11	8.2	Bank retains the authority to blacklist or bar a bidder for a specified period of the time from participating in its selection process where the Bank has authentic information the bidder has been debarred from participating in the bidding process by a foreign country, international organization or by a local organization on ground of fraud or corruption or for some other reason which, in the opinion of the Bank is not compatible with its policy and ethical standard.	The bidder may be given rights to represent and cure period	as stated in the RFP
16	16	19	Signing of Agreement - Bank will enter into Agreement with the selected Bidder. The effective date shall be date of signing of agreement by the selected bidder.	Bank to confirm that the clauses in the agreement can be negotiated before entering into the contract after they are mutually agreed to	as stated in the RFP
17	16	21	Intellectual Property Rights – a) Bidder warrants that the inputs provided shall not infringe upon any third party intellectual property rights, including copyrights, patents and other intellectual property rights of any nature whatsoever.	Bank to delete the blanket warranty for IP infringement/warranty on a best knowledge basis.	as stated in the RFP
18	17	21	c) The selected bidder shall indemnify the Bank against any claims relating to the violation of intellectual property rights, deficiency of service in all matters relating to the services and all other obligations as specified in the scope of the RFP	Notwithstanding anything to the contrary, the aggregate liability of the selected Bidder, in connection with any service provided under the RFP, shall be limited to the total contract value.	as stated in the RFP
19	17	21	e) Bank at its discretion may verify	Which records are referred to here.	Source of information for integration

			the records or appoint third party for verification of records and the bidder shall extend all cooperation in this regard.		in the Rating Model
20	17	21	g) Bidder shall suitably defend; indemnify Bank for any loss/damage suffered by Bank on account of and to the extent of any disclosure of the confidential information	Notwithstanding anything to the contrary, the aggregate liability of the selected Bidder, in connection with any service provided under the RFP, shall be limited to the total contract value.	as stated in the RFP
22	41	4.4 (Pre contract integrity pact)	The Seller will also be debarred from participating in any RFP / Tender for new projects / program with Buyer for a minimum period of five years.	Deletion of this clause requested	as stated in the RFP
23	42	7	Sanctions for Violation 7.1 If the Bidder(s) / Seller(s), before award or during execution has committed a transgression through a violation of Clause 5; above or in any other form such as to put his reliability or credibility in question, the Buyer is entitled to disqualify the Bidder(s) /Seller (s) from the tender process or take action as per the procedure mentioned herein below: (i) To disqualify the Bidder / Seller with the tender process and exclusion from future contracts. (ii) To debar the Bidder / Seller from entering into any bid from Buyer for a period of two years. (iii) To immediately cancel the contract, if already signed / awarded	Request bank to provide rights of representation to the bidder and sufficient time / cure period to make good any such alleged default on the side of the bidder	as stated in the RFP

			<p>without any liability on the Buyer to compensate the Bidder / Seller for damages, if any. Subject to Clause 5, any lawful payment due to the Bidder/Seller for supplies effected till date of termination would be made in normal course.</p> <p>7.2 If the Buyer obtains Knowledge of conduct of Bidder / Seller or of an employee or representative or an associate of Bidder / Seller which constitutes corruption, or if the Buyer has substantive suspicion in this regard, the Buyer will inform to its Chief Vigilance Officer.</p>		
24	42	8	<p>8. Compensation for Damages</p> <p>8.1 If the Bank has disqualified the Bidder(s) / Seller(s) from the tender process prior to the award according to Clause 8, the Bank is entitled to demand and recover the damages equivalent to the Earnest Money Deposit in case of open tendering.</p> <p>8.2 If the Bank has terminated the contract according to Clause 8, or if the Bank is entitled to terminate the contract according to Clause 8, the Bank shall be entitled to encash the Bank Guarantee, if furnished by the Bidder / Seller, in order to recover the loss caused to the Bank for undelivered Services.</p>	<p>Request bank to provide rights of representation to the bidder and sufficient time/cure period to make good any such alleged default on the side of the bidder</p>	<p>as stated in the RFP</p>

25	45	Annexure D	PROFORMA FOR DEED OF INDEMNITY Annexure D	Proposed for deletion as indemnity is already agreed as part of clause 22 of RFP	as stated in the RFP
26	46	2	One of the conditions of the aforesaid Agreement is that the Obligor is required to furnish an indemnity in favour of UCO Bank indemnifying the latter against any claims, losses, costs, actions, suits, damages and / or otherwise arising due to or on account of Obligor's violations of any trademarks, patents, copyrights and licenses, the applicable laws, regulations, guidelines during the Supply / Services to UCO Bank as also for breach committed by the Obligor on account of misconduct, omission and negligence by the Obligor.	Subject to final decision on IP Indemnity	as stated in the RFP
27	6	4	Only Credit Rating Agencies, who satisfy all the eligibility criteria may respond.	Are the consulting subsidiaries of rating agencies eligible to conduct this assignment?	Credit Rating Agencies or its Subsidiaries, who satisfy all the eligibility criteria may respond.
28	8	6	Syndicate Loan (Overseas / Domestic)	<p>i) Bank wants two different models for syndicate loan which are overseas and domestic, making the count of new models to 16.</p> <p>ii) For overseas model, the Bank needs to specifically mention the countries where it operates.</p>	<p>(i) Separate Credit Rating Model for Syndicated Loan for Domestic & Overseas Centres (Hong Kong & Singapore) to be developed</p> <p>(ii) Suitable Model to be developed for Trade Finance and Green Field Trade Finance at Overseas Centres (Hong Kong & Singapore). Same model can be used at both the centres.</p>
	8	6	Overseas borrowers	i) For overseas borrower model, the	Hong Kong and Singapore

				bank needs to specifically mention the countries where it operates.	
29	9	6 B	System based data flow to be introduced into the new rating models as under: >Data flow on quarterly, semi-annual financial statement	Data flow on quarterly, semi-annual financial statements- i) How this data will flow from third party system who will be Publisher for this Data? ii) Will this data be accumulated by the Bank's Existing system in specific format with specific Customer Identification number?	(i) Data to be captured from third-party sources like, RoC, Stock Exchanges, etc (ii) Existing EWS may be a source of data, may be integrated if necessary
30	9	6 B	System based data flow to be introduced into the new rating models as under: > Data flow of external events and Macro Economic triggers that may cause rating change	Data flow of external events and Macro Economic triggers that may cause rating change - i) How will this data flow from third party system and who will be the Publisher for this Data? ii) Will this data be accumulated by the Bank's Existing EWS? ii). Or will this data flow via any existing system present in the Bank?	(i) Data to be captured from third-party sources like, RoC, Stock Exchanges, etc (ii) Existing EWS may be a source of data, which is to be integrated with Rating Models
31	9	6 D	Litigation listing to be incorporated	i) How will this data flow from third party system and who will be Publisher for this Data? ii). Will this data be accumulated by the Bank's Existing EWS? iii) Any change in the litigation status will be impacting on the rating. Will this rating change (re-rating of borrower) need to be carried automatically or manually?	The proposed Credit Rating Models to be integrated with Bank's LMS/CBS/CRSS/EWS System
32	9	6 E	e) GST Return – GST Return – Compliance, Co-relation with	i) How will this data flow from third party system and who will be	The proposed Credit Rating Models to be integrated with Bank's

			Production/Sales	Publisher for this Data? ii) Will this data be accumulated by the Bank's Existing EWS?	LMS/CBS/CRSS/EWS System
33	9	6 F	f) Linking cross default (cross default for breach of covenant through CIC alerts	i) How will this data flow from third party system and who will be Publisher for this Data? ii) Will this data be accumulated by the Bank's Existing EWS?	The proposed Credit Rating Models to be integrated with Bank's LMS/CBS/CRSS/EWS System
34	9	6 G	g) Environmental issues having impact on business	i) How will this data flow from third party system and who will be Publisher for this Data? ii) Will this data be accumulated by the Bank's Existing EWS?	The proposed Credit Rating Models to be integrated with Bank's LMS/CBS/CRSS/EWS System
35	9	G F	Integration of Internal Credit Rating Model with LMS, CBS, CRSS, EWS & MIS portal	i) What is CRSS system and what data will be interfaced with the CRSS system? ii) Is the EWS system already functional at the bank?	i) Credit Risk Scoring System ii) Credit Rating Models to be integrated with the LMS/CBS/CRSS/EWS system of the Bank (to and fro)
36	10	7.3	The successful bidder has to impart handholding training to 100 Officers of the Bank at various location.	Batch Size and Locations and Facilities are very important aspects from Logistics. Please clarify.	Kolkata, Bhubaneswar, Chennai, Bhopal, Chandigarh, Jaipur, Durgapur, Ahmedabad
37	10	7.6	The successful bidder has to complete the job within 60 days from the date of execution of the agreement.	The scope has broadly following major aspects 1. Model Development 2. Model re calibration / Validation 3. Interfacing with 5 + Systems 4. Basic workflow and other system configuration 5. UAT 6. Training 7. Go Live In the light of above activities the time schedule needs may be relooked	as mentioned in the RFP

38	10	7.5	Payment to successful bidder will be made on satisfactory completion of the job	50% payment - On receipt of Mandate / work order 40%- On successful completion of UAT 10% = On Deployment on Live Server	as mentioned in the RFP
39	9	6 C	Data Migration	In case if data migration is desired by Bank, separate element under TCB may be considered	as mentioned in the RFP
40	33	-	AMC/ATS	In case if AMC/ATS is a part of total cost for the Bank, separate cost item under TCB / commercial bid may be considered	Prospective bidders may offer their price on Total Cost Basis
41	45	-	Warranty Period (12 months)	In case if bank desires to have warranty cost as a part of TCB, separate cost item under TCB / commercial bid may be considered	Prospective bidders may offer their price on Total Cost Basis
42	38	-	Indicative Commercial Bid	Bank has asked for only Model cost whereas, the following costs also needs to be included or considered: a. License Cost b. Implementation Cost c. Interface Cost d. Training Cost	Prospective bidders may offer their price on Total Cost Basis
43	17	22	The selected bidder shall indemnify the Bank against any claims relating to the violation of intellectual property rights, deficiency of service in all matters relating to the services and all other obligations as specified in the scope of the RFP	It should be restricted to Total Contract Value including PBG amount.	as mentioned in the RFP
44	11	8	During empanelment period, the Bank reserves the right to terminate the engagement of the Bidder. The	The Bank must serve upon Bidder at least 45 days prior written intention before such termination of	as mentioned in the RFP

			Bank's decision will be final in this regard.	engagement with bidder.	
45	6	4. Eligibility Criteria	The bidder should have the experience of providing similar service to at least two Public Sector Banks having more than 1000 branches.	The bidder should have the experience (Implemented/Under Implementation) of providing similar service to at least one Public Sector Banks having more than 1000 branches.	as mentioned in the RFP
46	7	5. Application Money and EMD	Application Money and EMD	CARE Risk Solution is considered as MSME for which we have received a documentary from Ministry of MSME, Govt of India. According to the MSME Certificate all the Bidders are exempted from the Application Money and EMD.	Govt directives, if any, in this regard shall prevail
47	8	6. Scope of Work	Scope of Work	Whether the successful bidder have to provide internal credit rating software, construct rating models as mentioned in the scope of work and also provide software implementation for these models.	as mentioned in the RFP
48				It seems that the models needs to be integrated with Banks existing systems which will include a lot of integration work and we need to understand the technical specifications of all the systems with which integration is required, as also the existing models architecture, along with technical and technology details as Bank might prefer to develop models on the existing technology.	as mentioned in the RFP details to be shared with the successful bidder

49	10	7.6 7.7		The timeline of 60 days for the project looks aggressive, especially when software development is required. Further, while project is expected to get over in 60 days, PBG needs to be provided for around 3 years. The duration of the PBG seems extremely long as compared to project timeline. Bank to consider the project timeline to 6 months and reduce the PBG timeline to 1 year.	as mentioned in the RFP
50	25	Annexure 3	Authorisation Letter	While the RFP mentions that authorization letter should be carried in person and shall not be placed inside in any of the bid covers	as mentioned in the RFP
51	18	23	Assignment	The RFP states that the bidder shall not assign to any one, in whole or in part, it's obligations to perform under the RFP/agreement, except with the Banks written consent	as mentioned in the RFP
52	29	Annexure A	Reverse Auction Process	Clarity on Reverse Auction process	Bidders will be given on-line training before conducting the Reverse Auction
53	5		Bid Control Sheet	Last Date and Time for receipts of tender bids: 01/06/2020 at 03:00 pm	Last Date and Time for receipts of tender bids: 08/06/2020 at 03:00 pm
54	5		Bid Control Sheet	Opening of bids: 01/06/2020 at 04:00 pm	Opening of bids: 08/06/2020 at 04:00 pm

Note: All other Terms and Conditions, clauses of the RFP shall remain unchanged. The reply to pre-bid queries responses / clarifications / corrigendum / addendum & changes in the RFP clause mentioned herein above will be part and parcel of the RFP.