

प्रस्ताव हेतु अनुरोध -जोखिम मूल्यांकन मॉड्यूल के प्रमाणीकरण हेतु परामर्शदाता की नियुक्ति

RFP for Appointment of Consultant for Validation of Risk Assessment Models
RfP No. 400/2021/1584/BYO/RiMV dated September 29, 2020

बोली पूर्व स्पष्टीकरण

Pre-Bid Clarification

Pre-bid meeting in connection with the RfP for Appointment of Consultant for Validation of Risk Assessment Models through MS team at Mumbai on October 7, 2020 at 5.00 p.m. Based on the discussions with the prospective bidders during the meeting and queries sent by the bidders, following clarifications may please be noted for responding to the captioned RFP:

I. Response to the queries received from bidders and Clarifications

The queries as received from different bidders and SIDBI's clarification to those queries are tabulated below:

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
1	22	5.1.5 - Eligibility	Minimum 10 technical/professional staff should already have been associated with similar support.	For Model Validation we don't need to engage 10 Professionals as the similar exercise in other banks do not demand 10 Professionals. We suggest that we could engage 3 professional and 1 Q.A. professional for the entire assignment. Totalling to 4 Professionals.	This requirement is regarding the available resources with such experience. The no. of resource personnel for the project in particular, could be different, as the bidder may deem fit to ensure the deliverables.

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
2	28	7.3 - Technical Evaluation	1. Has carried out validation of rating models for Banks / AIFIs in India during the last 5 years. 2. Has carried out validation of NBFC/MFI rating models for Banks / AIFIs in India during the last 5 years.	We request you to have window of 10 years for the eligible assignments or set the marks as 20 per assignment. We request you to have window of 10 years for the eligible assignments or set the marks as 20 per assignment.	No modification
3	37	8.24 - Time Frame	The time frame for completion of the assignment will be as follows: · The validation of the 2 Score Cards [NBFC and MFI] will have to be completed in a duration of 2 weeks from the date of letter of intent/ award of contract; and · The entire assignment as defined in the scope of the project including validation of the 2 RAM models [NBFC and MFI] will have to be completed in 4 weeks from the date of letter of intent / award of contract.	The time required for the validation is too less, as it involves following tasks (Macro Level) 1. Understanding the models 2. Understanding the Model Philosophy 3. Preparation of the Data template 4. Data Collection (By System owner or client) 5. Data Cleaning 6. Validation activity 7. Validation Result 8. Discussion with SIDBI 9. Final Presentation There should be at least 8 weeks time for the exercise; Post sharing data by SIDBI	Revised timelines given below: 1. The validation of the 2 Score Cards [NBFC and MFI] will have to be completed within in a duration of 2 weeks from the date of acceptance of Lol. 2. The validation report of the 2 RAM models [NBFC and MFI] will have to be completed in a six weeks from the date of acceptance of Lol. 3. The scope also covers submission of report [to be submitted within one week from acceptance of the validation report of the 2 RAM models[containing: a. current trends, latest developments, impact of COVID 19 on NBFCs/MFIs and best practices in the market in relation to the RAMs and

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
					rating systems; and b. the suggestion for a mechanism for arriving at risk tolerance at the portfolio level of the Bank due to events such as COVID 19 on the financials of NBFCs/MFIs in the near/medium term.
4	20	4.2 (a) - Scope of Work and Requirements	Diagnostic study and Review of Risk Assessment Models (RAMs) and score cards for NBFC & MFI and rating systems (including qualitative and quantitative review). In view of limited vintage and data points in the RAMs/Score Cards, external data could be used for benchmarking, back-testing, etc.	Are we supposed to do diagnostic study and review of all the models implemented in RAM along with NBFC & MFI Models? How many and which Models have been embedded in RAM Software?	The scope includes review of the score cards and RAM models for NBFC and MFI only.
5	20	4.2 (c) - Scope of Work and Requirements	Validation of the Bank's RAMs and rating systems and the estimation of PDs (both qualitative and quantitative validation).	Methodology for estimation of PD need to be validated. Please clarify	External PD is being used in the RAM models. It is expected that the Score card / RAM is calibrated so as to appropriately reflect the credit standing of the loan account.
6	20	4.2 (d) - Scope of Work and Requirements	Refinement of RAMs / Score cards and rating systems along with training thereof.	Scope is not clear. Is SIDBI expecting "Refinement of Rating System" and "training"? Scope needs to be elaborated for both points mentioned in Question. Further to this the qualified agency is expected to impart training on Models. what is the training scope?	1. It is expected that the Score card / RAM is calibrated so as to appropriately reflect the credit standing of the loan account. 2. No training is required. However, on submission of the validation reports, the rationale and the effect of

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
					the modifications suggested during the validation process is required to be explained.
7	20	4.2 (f) - Scope of Work and Requirements	Suggest a mechanism for arriving at risk tolerance at the portfolio level of the Bank due to events such as COVID 19 on the financials of NBFCs/MFIs in the near/medium term.	Suggesting mechanism for Risk Tolerance at portfolio level is a wide scope Does SIDBI expecting to provide ONLY mechanism for risk Tolerance under this point?	To suggest mechanism for arriving at risk tolerance at the portfolio level in the form of acceptable ratios and / or counterparty limits based on financials.
8	41	8.32 - Termination of Contract	Disputes about Events of Termination 1. SIDBI may at its sole discretion and at any time terminate the contract and inform the consultant by written instructions. Normally there will be notice period for termination. In the event of the contract being so terminated the consultant shall take such steps, as are necessary to bring the services to an end in a cost effective, timely and orderly manner. 2. Bank also reserves its right to terminate the contract in the event of one or more of the following situations: a) Unnecessary or unwarranted delay in execution of the work allotted. b) Delay in submission of reports beyond the stipulated periods. c) Breach of trust is noticed during any	Termination clause is one sided and need to be fair for agency. Termination clause should have "Normally there will be notice period for termination". Bidder should also have the rights to terminate the contract immediately without any cost, risk and consequences, if the payment is not so received as agreed under the Contract.	No modifications.

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
			stage of the consultancy assignment. d) Services found to be unsatisfactory e) For any other valid reason		
9	63	7.1 Fall Clause	14. Fall Clause: 7.1. The BIDDER undertakes that it has not supplied/is not supplying similar products /systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems was supplied by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case	There is possibility that the similar assignment could have been supplied at specific price considering the strategic decision at specific time. That price can not be compared with the bid price quoted for SIDBI at current situation This clause should not be included in RFP	No modifications.

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
			and the difference in the cost would be refunded by the BIDDER to the BUYER, if the contract has already been concluded.		
10	44	8.42 - Indemnity	The Bidder/ successful bidder shall indemnify the Bank, and shall always keep indemnified and hold the Bank, its employees, personnel, officers, directors, harmless from and against any and all losses, liabilities, claims, actions, costs and expenses (including attorneys' fees) relating to, resulting directly or indirectly from or in any way arising out of any claim, suit or proceeding brought against the Bank as a result of:	The Liability should be limited to Project fees mentioned in the commercial proposal. This cannot be unlimited liability clause.	No modifications.
11	7	Critical information	Last date for bid submission 13-October-2020	Please extend the bid submission date to 27-October-2020 due to current situation.	The last date of submission has been revised from October 13, 2020 to October 22, 2020 [3.00 p.m.] . Accordingly, the Date of & Time of Opening of Minimum Eligibility bid has been revised from October 14, 2020 to October 23, 2020 [3.00 p.m.]

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
12	8	1.1 - Purpose of the RFP	The purpose of the RFP is to assign contract for validation of risk assessment models i.e. NBFCs and MFIs which includes reviewing of the corresponding score cards of the these models and PD assessment of RAMs	We request SIDBI to provide details for the NBFCs and MFIs 1. Date/Year of inception of the model/Scorecard 2. Mode of implementation (IT System / Paper based) 3. Coverage of the portfolio	1. RAM NBFC (2005) RAM MFI (2015); NBFC Score Card (2019) MFI Score Card (2020) 2.RAM NBFC & RAM MFI - IT System; NBFC Score Card & MFI Score Card - Currently Paper based (Excel); 3. The RAM / Score card of NBFC covers all types of NBFC irrespective of the category and the RAM / Score card of MFI covers all MFIs irrespective of constitution.
13	8	1.1 - Purpose of the RFP	The purpose of the RFP is to assign contract for validation of risk assessment models i.e. NBFCs and MFIs which includes reviewing of the corresponding score cards of the these models and PD assessment of RAMs	How does the NBFCs and MFIs scorecards feeds into the PD models? Could you please provide some high level details on the PD model?	The Bank uses external PD in the RAM models. The Score card is mostly objective with score based on financial parameters and a No Go criteria. There is no PD associated with the score card.
14	14	2.12 - Pre-bid meeting	2. It would be the responsibility of the Bidders to be present at the venue of the meeting.	Kindly let us know the prebid meeting date and time. Request SIDBI to conduct the prebid through online mode considering the ongoing Covid situation	Pre-bid meeting conducted through MS teams on date and time mentioned in the RfP. Arrangements were made at BKC Office for prospective bidders to participate in the meeting through MS teams. .

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
15	20	4.1 Objective/ purpose	Objective of the exercise is as enumerated at Para 1.1 above. Out of present rating models / score card of risk assessment, the validation is proposed to cover following viz. - NBFC model in RAM along with the scorecards; - MFI model in RAM along with the scorecard	How many models and scorecard does the Bank have under NBFC and MFI category? Is it a statistical model or a expert judgment based model? Could you please provide some details around the Risk Assessment Models (RAMs)?	The bank has one RAM model for NBFC and one for MFI assessment. Further, there is a score card for NBFC and a similar score card for MFI. The Bank uses external PD in the RAM models. The Score card is mostly objective with score based on financial parameters and a No Go criteria. There is no PD associated with the score card.
16	20	4.2 - Scope of work and requirement	In addition, the respondent is expected to apprise and advise the bank of current trends, latest developments, impact of COVID 19 on NBFCs/ MFIs and the best practices in the market in relation to RAMs and rating systems.	Does SIDBI currently in the RAMs incorporate any macro-economic adjustments? If yes, then how?	Industry risk scores are updated periodically which captures the economic status.
17	29	7.5 Final Selection of the eligible bidder	The final selection will be done based on Quality cum Cost Based System (QCBS) wherein Relative Technical Bid Score will get a weightage of 60% and Relative Commercial Bid Score will get a weightage of 40%.	Request SIDBI to make the weightage to 70% & 30% for technical & Commercial sections	Weightage for technical and commercial shall continue as indicated in RfP.
18	No reference		Additional Query	Would request to provide clarity on the location of execution of project - onsite/ offsite?	Mostly offsite. Meetings shall be through MS teams as far as feasible.
19	8	1.1 - Purpose of the RFP	The purpose of this RfP is to assign contract for validation of risk assessment models [RAM] i.r.o NBFCs and MFIs which	Please provide the clarity whether RAM is software based or excel based	RAM is software based and the score cards are excel based tool.

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
20	8	1.1 - Purpose of the RFP	includes reviewing of the corresponding Score cards of these models and Probability of Default (PD) assessment of RAMs under two Bid Systems viz. 1) Pre-qualification/ Eligibility Criteria and 2) Techno- Commercial bid. It is expected that selected Service Provider will undertake the evaluation/ validation in a comprehensive, clear and constructive/contributory manner and also as per Reserve Bank of India (RBI) requirement in this regard	If RAM is software based, then in case post validation if any new parameters are suggested, who will be responsible for software development / software update ? Whether Vendor will be responsible to update the software based NBFC and MFI RAM models. If post validation, update in the software model is also required then kindly provide specifications of software based RAM model	Updation in software is not in the scope of this assignment. The same will be taken care of by the Bank.
21	8	1.1 - Purpose of the RFP		Kindly provide clarification for NBFC model i.e. whether there is only one model to capture NBFC or there are separate models for segments e.g. HFC, Retail NBFC etc.	The Bank has only one model for NBFC.
22	22	5.1 (4) Eligibility	The Respondent should not have been in cash losses for at least two years out of the last three years. The respondent should submit its Annual Report/ Financial Statement / Certificate signed by its Auditors in this regard to the satisfaction of SIDBI	Please suggest the definition of Cash Losses. Does losses mean cumulative losses i.e. cumulative losses of two years out of three, if not IRR Advisory suggest to consider cumulative losses for 2 years instead of standalone losses for each year.	Net loss after adding back non cash items [e.g. depreciation, amortisation etc.] shall be considered as cash loss. Loss during the year shall be considered.
23	20	4.2 (d) - Scope of Work and Requirements	Refinement of RAMs / Score cards and rating systems along with training thereof.	Kindly provide the clarity on training i.e. total number of training sessions required, total participants, locations of training etc.	No training is required. However, on submission of the validation reports, the rationale and the effect of the modifications suggested during the validation process

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
					is required to be explained as per request.
24	36	8.21 - Payment terms	The fees shall be payable as per the following schedule: a. 25% on submission of report on model validation and recommendations on model refinement if any, in respect of the two Score cards [NBFC and MFI]. b. 25% on submission of report on model validation and recommendations on model refinement if any, in respect of the 2 RAM models [NBFC and MFI] c.50% on submission of all the deliverables, as per RfP	Kindly provide clarity on Point a and b of payment terms (what all will be covered in point a and b)	Submission of validation report to the satisfaction of SIDBI.
25	44	8.42 - Indemnity	The Bidder/ successful bidder shall indemnify the Bank, and shall always keep indemnified and hold the Bank, its employees, personnel, officers, directors, harmless from and against any and all losses, liabilities, claims, actions, costs and expenses (including attorneys' fees) relating to, resulting directly or indirectly from or in any way arising out of any claim, suit or proceeding brought against the Bank".	This clause doesn't talk about limit of indemnity i.e. maximum amount. IRR Advisory requests bank to put the capping i.e. maximum value for indemnity up to the contract value.	No modification in the clause.
26	20	4.1 Objective/ purpose	Objective of the exercise is as enumerated at Para 1.1 above. Out of present rating models / score card of risk assessment, the validation is proposed to cover	Clarify on the difference between terminologies 'RAM model', 'scorecard' and 'rating model'	RAM model refers to the software based models, the Score card is excel based

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
			following viz. - NBFC model in RAM along with the scorecards; - MFI model in RAM along with the scorecard	used in scope as mentioned in section of RFP.	tool. Both RAM and score card are rating models.
27	20	4.1 Objective/ purpose		Provide the number of scorecards, RAM models and PD estimation models for NBFC and MFI portfolios which are in scope of engagement.	The scope covers validation of 2 models of RAM and 2 score cards. External PD is being used in the RAM models. It is expected that the Score card / RAM is calibrated so as to appropriately reflect the credit standing of the loan account.
28	8	1.1 - Purpose of the RFP	The purpose of this RfP is to assign contract for validation of risk assessment models [RAM] i.r.o NBFCs and MFIs which includes reviewing of the corresponding Score cards of these models and Probability of Default (PD) assessment of RAMs under two Bid Systems viz. 1) Pre-qualification/ Eligibility Criteria and 2) Techno- Commercial bid. It is expected that selected Service Provider will undertake the evaluation/ validation in a comprehensive, clear and constructive/contributory manner and also as per Reserve Bank of India (RBI) requirement in this regard	Is there any expectation to validate existing PD models of the Bank for NBFC and MFI?	The Bank uses external PD in the RAM models. The Score card is mostly objective with score based on financial parameters and a No Go criteria. There is no PD associated with the score card. It is expected that the Score card / RAM is calibrated so as to appropriately reflect the credit standing of the loan account.

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
	20	4.2 (c) - Scope of Work and Requirements	Validation of the Bank's RAMs and rating systems and the estimation of PDs (both qualitative and quantitative validation).	What is under scope under estimation of PD models?	
29	20	4.2 (c) - Scope of Work and Requirements	Validation of the Bank's RAMs and rating systems and the estimation of PDs (both qualitative and quantitative validation).	Please confirm if the points '4.2c' and '4.2d' refer to the models pertaining to only NBFC and MFI portfolios.	Section 4.2 (c) refers to NBFC and MFI models
	20	4.2 (d) - Scope of Work and Requirements	Refinement of RAMs / Score cards and rating systems along with training thereof.	Please confirm if the points '4.2c' and '4.2d' refer to the models pertaining to only NBFC and MFI portfolios.	Section 4.2 (d) refers to NBFC and MFI models
30	20	4.2 (d) - Scope of Work and Requirements	Refinement of RAMs / Score cards and rating systems along with training thereof.	As mentioned in point '4.2d', does the bank expect the bidder to provide the recommendation for refinement of the models or also want the bidder to implement them and update the existing models.	Only providing recommendation for refinement of the models. The implementation will be carried out by the Bank.
31	20	4.2 (a) - Scope of Work and Requirements	Diagnostic study and Review of Risk Assessment Models (RAMs) and score cards for NBFC & MFI and rating systems (including qualitative and quantitative review). In view of limited vintage and data points in the RAMs/Score Cards,	Under section '4.2a', what is the expectation on back testing of recommended models.	It is expected that the Score card / RAM is calibrated so as to appropriately reflect the credit standing of the loan account. Results of

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
			external data could be used for benchmarking, back-testing, etc.		modification are to be confirmed with back testing.
32			General reference	Whether Bank has enough default experience for these models for conducting quantitative validation.	As indicated, there is a limited vintage and data points in the RAMs/Score Cards and it is suggested that external data could be used for benchmarking, back-testing, etc
33			General reference	For conducting the validation, whether Bank will provide data in the specified template or bidder to do data preparation and transformation. Also, for benchmarking is there data available with Bank.	Dump data will be provided. Regarding benchmarking, SIDBI has the internal performance history for NBFC & MFI RAM & Scorecards
34			General reference	What is the approval process of deliverable / validation report in Bank and whether the bidder need to be part for getting sign off.	The approval process shall be internal. The bidder is not expected to be part of getting sign off. However, on submission of the validation reports, the rationale and the effect of the modifications suggested during the validation process is required to be explained as per request. The bidder may be required to make presentation to a high level

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
					committee during the approval process.
35	20	4.2 (e) - Scope of Work and Requirements	In addition, the respondent is expected to apprise and advise the bank of current trends, latest developments, impact of COVID 19 on NBFCs/MFIs and best practices in the market in relation to the RAMs and rating systems.	What is the Bank's expectation for this requirement '4.2e':	A report detailing the current trends, latest developments, impact of COVID 19 on NBFCs/MFIs and best practices in the market in relation to the RAMs and rating systems. to be submitted.
36	20	4.2 (f) - Scope of Work and Requirements	Suggest a mechanism for arriving at risk tolerance at the portfolio level of the Bank due to events such as COVID 19 on the financials of NBFCs/MFIs in the near/medium term.	In relation to requirement '4.2f', does the Bank want to: <ul style="list-style-type: none"> • define the tolerance in the form of acceptable ratings or in the form of maximum permissible exposure limits? • define such limits at counterparty level based on financials? 	To suggest mechanism for arriving at risk tolerance at the portfolio level in the form of acceptable ratings and / or counterparty limits based on financials.

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
37	36	8.21 - Payment terms	The fees shall be payable as per the following schedule: a. 25% on submission of report on model validation and recommendations on model refinement if any, in respect of the two Score cards [NBFC and MFI]. b. 25% on submission of report on model validation and recommendations on model refinement if any, in respect of the 2 RAM models [NBFC and MFI] c.50% on submission of all the deliverables, as per RfP	There is no explicit section on 'Deliverables' in RFP document. However, section 8.21 point 'b' says that 50% payment on all the deliverables as per RFP. Could you please clarify on the expectations around the final deliverables. Also, whether 25% fees is on draft deliverable or final deliverable	a. 25% - Submission of validation report, to the satisfaction of SIDBI, of the 2 Score Cards [NBFC and MFI]. b. 25% - Submission of validation report, to the satisfaction of SIDBI, of the 2 RAM models [NBFC and MFI]. c. 50 % - submission of report, to the satisfaction SIDBI, containing: - current trends, latest developments, impact of COVID 19 on NBFCs/MFIs and best practices in the market in relation to the RAMs and rating systems; and - the suggestion for a mechanism for arriving at risk tolerance at the portfolio level of the Bank due to events such as COVID 19 on the financials of NBFCs/MFIs in the near/medium term.
38	20	4.2 - Scope of work and requirement	Overall the validation should fulfill the requirements as per the RBI guidelines.	RFP states "Overall the validation should fulfill the requirements as per the RBI guidelines". Which all RBI guidelines are referred here for the scope mentioned.	RBI guidelines for rating model validation under IRB approach

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
39	7	Critical information	Last date for bid submission 13-October-2020	We request for an extension in bid submission date as we will get response by 7th October and then we need to prepare our proposal / response to RFP accordingly.	The last date of submission has been revised to October 22, 2020 [3.00 p.m.]. Accordingly, the Date of & Time of Opening of Minimum Eligibility bid has been revised to October 23. 2020 [3.00 p.m.]
40	16	2.19 - Details of bids to be submitted	ix. Declaration regarding no conflict of interest as per format prescribed in Annexure -K	Under section 2.19 ix. Declaration regarding no conflict of interest as per format prescribed in Annexure -K. However, there is no Annexure K in the RFP.	Declaration regarding no conflict is not required to be submitted

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
41	41	8.34 - Force Majeure	<p>If the performance as specified in this order is prevented, restricted, delayed or interfered by reason of fire, explosion, cyclone, floods, war, revolution, acts of public enemies, blockage or embargo, any law, order, proclamation, ordinance, demand or requirements of any Government or authority or representative of any such Government including restrict trade practices or regulations, Strikes, shutdowns or layout disputes which are not instigated for the purpose of avoiding obligations herein, or Any other circumstances beyond the control of the part affected, then notwithstanding anything here before contained, the party affected shall be excused from its performance to the extent such performance relates to prevention, restriction,, delay or interference and provided the party so affected uses its best efforts to remove such cause of non-performance and when removed the party shall continue performance with utmost dispatch. The bidder shall not be liable for liquidated damages or termination for default, if and to the extent that its delay in performance or other failure to perform its obligations under the contract is the result of an event of Force Majeure. For purposes of this Clause, "Force Majeure" means an event beyond the control of the bidder and not</p>	<p>Under section 8.34, there is mention of Penalty without any amount and/or % of fees. Is there any specific penalty amount?</p>	<p>No modifications proposed.</p>

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
			<p>involving the bidder's fault or negligence and not foreseeable. Such events may include, but are not limited to, Acts of God or of public enemy, acts of Government of India in their sovereign capacity, acts of war.</p> <p>If a Force Majeure situation arises, the bidder shall promptly notify Bank in writing of such conditions, the cause thereof and the change that is necessitated due to the conditions. Unless otherwise directed by Bank in writing, the bidder shall continue to perform its obligations under the Contract as far as it is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. SIDBI may terminate the contract or suspend its performance. In such an event the consultant shall take such steps, as are necessary, to bring the service to an end, in a cost effective, timely and orderly manner.</p>		
42	37	8.24 - Time Frame		<p>Under section 8.24, the timelines are 2 weeks and 4 weeks for validation of score cards and entire assignment from date of LOI/ award of contract as per RFP. Are these timelines for submission of draft deliverables or final deliverables? Also, Bank is requested to modify these timelines from date of LOI/ award</p>	<p>Revised timelines given below: 1. The validation of the 2 Score Cards [NBFC and MFI] will have to be completed within in a duration of 2 weeks from the date of acceptance of Lol . 2. The validation report of the 2 RAM models [NBFC and</p>

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
				of contract to the start of engagement.	MFI] will have to be completed in a six weeks from the date of acceptance of Lol. 3. The scope also covers submission of report [to be submitted within one week from acceptance of the validation report of the 2 RAM models[containing: a. current trends, latest developments, impact of COVID 19 on NBFCs/MFIs and best practices in the market in relation to the RAMs and rating systems; and b. the suggestion for a mechanism for arriving at risk tolerance at the portfolio level of the Bank due to events such as COVID 19 on the financials of NBFCs/MFIs in the near/medium term.
43	16	2.19 - Details of bids to be submitted		Which format of BG for EMD should be used i.e. Annexure L or Annexure M?	At the time of bid submission, if the EMD is given as Bank Guarantee, then Annexure M. After awarding the contract, the successful bidder can submit the PBG as given at Annexure L.

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
44				<p>The terms and conditions with regard to Confidentiality obligations and limitation of liability need to be elaborated. It is not clear from the RFP the number of years confidentiality obligations will be applicable. Similarly, whether limitation of liability is capped to the bid amount or not. In the event of the Force Majeure conditions continuing for a period of more than three months the parties shall discuss and arrive at a mutually acceptable arrangement.</p> <p>Penalty would not be applicable for delay due to reasons attributable to the Bank and Force Majeure. However, it is responsibility of the selected bidder to prove that the delay is attributed to the Bank or Force Majeure.</p>	No modifications. Confidentiality as per the NDA.
45				Whether the terms and conditions can be mutually agreed once the contract is assigned to the bidder?	Terms and conditions indicated in RfP shall not be modified.
46	16	2.19 - Details of bids to be submitted	1. Bidders are required to submit their responses in a non-window sealed THREE envelopes superscribing "RfP – Validation of Risk Assessment Models" with contents of each as under:	Can the encrypted soft copy of the technical and commercial bid be submitted to SIDBI on or before last date? Is hard copy submission mandatory?	No modification

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
47	20	4.2 (a) - Scope of Work and Requirements	Diagnostic study and Review of Risk Assessment Models (RAMs) and score cards for NBFC & MFI and rating systems (including qualitative and quantitative review). In view of limited vintage and data points in the RAMs/Score Cards, external data could be used for benchmarking, back-testing, etc.	The RfP states that limited vintage and data points are available. Assume that SIDBI has an internal performance history for NBFC & MFI RAM Scorecards over this period.	Yes
48	20	4.2 (a) - Scope of Work and Requirements	Diagnostic study and Review of Risk Assessment Models (RAMs) and score cards for NBFC & MFI and rating systems (including qualitative and quantitative review). In view of limited vintage and data points in the RAMs/Score Cards, external data could be used for benchmarking, back-testing, etc.	While the RfP states that "external data could be used for benchmarking", is there any particular data that SIDBI is looking at as the benchmark? Are external ratings available here with SIDBI?	External data as appropriate may be used. External rating of the accounts rated in RAM / Score card is available.
49	20	4.2 - Scope of work and requirement		Are there any specific guidelines that are being referred to when SIDBI states that "Overall the validation should fulfil the requirements as per the RBI guidelines."	RBI guidelines for rating model validation under IRB approach
50	16	2.19 - Details of bids to be submitted	Minimum 10 technical/professional staff should already have been associated with similar support.	RFP states that "At least 10 bio-data with minimum qualification and with minimum experience years required to undertake the envisaged exercise should be attached along with Bid forwarding Letter." Not clear on how many resources SIDBI is actually looking at to work on the this project & what is the minimum experience	This requirement is regarding the available resources with such experience. The no. of resource personnel for the project in particular, could be different, as the bidder may deem fit to ensure the deliverables.

Sl. No.	Page No.	Section / Clause No.	RFP Clause	Bidders' Query / Request	Comments of SIDBI
				of a team member in terms of number of years. I	
	28	7.3 Technical evaluation	The experience of the dedicated resources proposed to be involved in the assignment i.e., total experience of the team as on date of RfP - Minimum 5 years and 10 marks for every 3 years thereafter	It is mentioned as "Minimum 5 years and 10 marks for every 3 years thereafter for the team", what is the minimum experience for an individual as well as how the scoring is done is not clear. Team size is not specified here. Does it mean that for 5 years experience as a team, there are 10 points and for 8 years experience as a team, there are 20 points (maximum possible point).	Yes. Minimum 5 years experience as a team, 10 points for 8 years experience as a team, 20 points for 13 years experience as a team [maximum score under this head]
51	20	4.2 (c) - Scope of Work and Requirements		The scope includes "Validation of the Bank's estimation of PDs". Assume that these are only TTC PD RAM models and not PiT models which utilize Macro Economic Variables?	The Bank uses external PD in the RAM models. The Score card is mostly objective with score based on financial parameters and a No Go criteria. There is no PD associated with the score card. It is expected that the Score card / RAM is calibrated so as to appropriately reflect the credit standing of the loan account.

II. Other modifications / clarifications in the RfP issued.

- 1) Tender cost shall be read as `500 plus GST as applicable
- 2) To add point XVI in page 2 under 'Important clarifications' – 'Letter of Intent' refers to 'Purchase Order to the successful bidder' / 'Award of contract'.
- 3) S. No. 1.1 - Purpose of the RfP – 'two Bid Systems' may be read as 'three Bid Systems'
- 4) S. No. 2.16 - Opening of Bids by the Bank – 'Bids, except commercial bids, received within stipulated time, shall be opened as per schedule given in the 'Bid Critical Information' sheet.' may be read as 'Bids, except commercial bids **and technical bids**, received within stipulated time, shall be opened as per schedule given in the 'Bid Critical Information' sheet.'
- 5) S.No. 2.19 - Details of Bids to be Submitted – 'Above mentioned **two separately sealed sub-envelopes** should be put together in another master sealed envelope super-scribing "Appointment of Consultant for Validation of Risk assessment Models –. RFP No. 400/2021/1584/BYO/RiMV dated September 29, 2020.' May be read as 'Above mentioned **three separately sealed sub-envelopes / encrypted files** should be put together in another master sealed envelope super-scribing "Appointment of Consultant for Validation of Risk assessment Models –. RFP No. 400/2021/1584/BYO/RiMV dated September 29, 2020.'
- 6) Format of Pre Contract Integrity Pact is placed in Annexure J.
- 7) S. No. 5.3 Financial bid , 'The Financial bid will contain the financial quote covering the total price (inclusive of professional fees, cost of undertaking the assignment, travelling allowance, halting allowance, out of pocket expenses and all other expenses). **GST / any other applicable taxes should be excluded.**' may be read as The Financial bid will contain the financial quote covering the total price (**inclusive** of professional fees, cost of undertaking the assignment, travelling allowance, halting allowance, out of pocket expenses, **GST / any other applicable taxes** and all other expenses).