The New Development Bank

Request for Proposal

(This is not a Purchase Order)

1. **Introduction**

The New Development Bank (NDB) is issuing a Request for Proposal (RFP) to invite qualified suppliers to provide proposals to NDB's Collateral Management project. Please refer to the following information or attached TOR (Service Scope) for detailed requirements.

Those interested and qualified companies please register into NDB's e-procurement system to be **NDB's registered suppliers** and participate in the bidding process (**please be noted the contact information provided in registration especially email address must be correct as all communications regarding the bid including RFP distribution and award notice will be sent through it**). NDB will choose the most suitable one(s) from the shortlisted suppliers. NDB at its sole discretion reserves the right to reject all proposals in accordance with its internal policy and guidelines.

2. **RFP Schedule**

Please be noted the following activities could take place in the RFP process. NDB will inform the specific arrangements in advance and the suppliers are requested to respond timely.

Activity	Date
Distribution of RFP	
Notice of Intent	
Deadline for Questions	
Proposal Response Due	
Presentation and Demonstration	TBD
Negotiation on contract	TBD
Signing Contract	TBD
Project Kick Off	TBD

3. Instruction to bidders

3.1 Contact Information

Please use the following contact information for all correspondence with NDB concerning this RFP.

Address: 26th Floor, NDB HQ, No. 1600, Guo Zhan Road, Pudong, Shanghai
上海浦东国展路 1600 号，新开发银行总部，26 楼

3.2 Submission of Proposals (Introduction to use of NDB's e-procurement system)

Proposals shall be prepared in English or bilingual (English and Chinese). Hard copy (6copies at least) is optional and shall be sent in sealed covers. Electronic version is obligatory and shall be sent online in NDB's e-procurement system.

For submission of proposal, the qualified suppliers should register to NDB's e-procurement system to be **NDB registered suppliers** (subject to NDB's internal approval) in advance. Then registered suppliers need to **ENROLL** in the procurement notice (for open competitive bidding) or **ACCEPT** the invitation (for limited competitive bidding) before submitting proposal online according to the timeline. (https://www.ndb.int/data-and-documents/corporate-procurements/)

The mentioning of deadline, due time, closing date, etc. herein means Beijing time; and NDB's business time is from 9:00AM to 5:15PM in working days.

3.3 Questions

Please submit questions in writing by e-mail. Suppliers should refer to the specific RFP paragraph number and page and should quote the questioned passage. NDB will be prompt in responding to questions. All questions will be responded to as a group and sent to all suppliers.

3.4 Ownership of Materials

All materials submitted in response to this RFP become the property of NDB. Proposals and supporting materials will not be returned to suppliers.

3.5 Proposal Costs

NDB is not responsible for any costs incurred by the supplier in the preparation of the proposal or the site visit.

3.6 Proposal Format (if applicable)

NDB recommends that the proposal should contain two parts as follows.

Volume 1 – Main Proposal

  Section 1   Executive Summary

  Section 2   Functional Section

  Section 3   Technical Section

  Section 4   Project Management Section

  Section 5   Support Section

Volume 2 – Price Proposal – Should be separate but integral part of the proposal. The currency is **USD**; if quoting in other currencies, the exchange rate should be clearly defined. **The price shall be inclusive of applicable taxes (if not, please specify)**; and other charges shall also be clearly defined.

3.7 Validity Period

The proposal including pricing quotation shall be valid at least for ___days.

3.8 RFP Amendments

New Development Bank reserves the right to amend this RFP any time prior to the closing date. Amendments will be issued only to suppliers who are going to complete a proposal.

3.9 Sub-contractor

NDB expects to negotiate and sign contract with one winning supplier. NDB will accept only complete solutions from a primary supplier, and will not accept any incomplete proposals that are only cover part of the RFP. The prime supplier will be responsible for the management of all subcontractors. NDB will not accept any invoices from subcontractors or become part of any negotiations between a prime vendor and a subcontractor.

3.10 Award Notification

NDB could negotiate with all shortlisted suppliers before deciding the winning supplier. And NDB reserves the right to negotiate further with the winning supplier before and in the contracting process. The award notification is sent to the winner online in the e-procurement system. NDB is not obliged to notify the bid outcome to unsuccessful suppliers.

4. Evaluation Criteria

The proposals will be reviewed and evaluated by NDB's team in accordance with the related policy and guidelines, especially the six principles (Economy, Efficiency, Competition, Transparency, Value for Money, Fit for Purpose) contained in NDB's corporate procurement policy. NDB is interested in obtaining a complete solution to the requirements contained in this

RFP. Proposals that meet the proposal instructions and requirements will be given a thorough and objective review. Proposals that are late, or do not comply with proposal instructions, or take exceptions to mandatory requirements will be eliminated without further consideration. The following are the key factors that would be taken into consideration for evaluating the proposals.

i. Technical Approach and Methodology or Software Solution

Primary consideration will be given to meet the mandatory requirements as listed in this RFP.

The following are factors in the evaluation.

1. Meeting the requirements as stated in this RFP;
2. Understanding of the work to be performed;
3. Technical approach and methodology to accomplish the work;
4. Completeness and competence in addressing the scope of work.

ii. Project Management

NDB also believes that effective project management is essential for a successful implementation. Vendors will be evaluated on the completeness and responsiveness of their project management plans and the project team assigned.

As part of the project management plan, vendors must demonstrate adequate experience in developing and implementing the requested project. NDB's confidence in the vendors' ability to meet deadlines and successfully manage similar projects will be a primary consideration.

Special consideration is given to vendors who propose a detailed project plan with sufficient breakdown of tasks and steps to demonstrate a complete understanding of the project.

iii. Pricing

NDB will consider pricing as part of the evaluation criteria. **Lowest price is not essential to win**; however, large pricing differentials between vendors will be carefully examined. Price will be used as a final indicator for determining the vendor finalists when all other criteria have been normalized.

iv. Presentation and Demonstration

The results of Presentation and Demo will be evaluation factors.

v. Support and Maintenance

NDB believes the ability to perform timely support is also an important factor for the success of this project. Therefore, vendors should provide adequate information to demonstrate their capabilities to fulfill this task.

Background

The New Development Bank ("the Bank" herein after) is a multilateral development financial institution established in 2015 and engaged in mobilizing resources towards the infrastructure development in its member countries. The Banks most recent Annual Financial Report is available on the Bank's web site www.ndb.int. The bank has a fully developed Treasury division which deals with a host of financial products related to funding, investment, and hedging.

Overview

This request for proposal ("RFP") provides to those interested in submitting proposals ("Vendors") sufficient information to prepare and submit proposals for the Bank's consideration to satisfy a need for a collateral manager service. The bank currently has transactions in Over the Counter(OTC) derivatives including, Interest Rate Swap(IRS), Cross Currency Swap(CCS), Forex Forwards and Non Deliverable Futures(NDF), securities lending and repurchase agreements on fixed income securities.

Required Capabilities

The collateral manager should have the ability to support end-to-end collateral management for repurchase agreements ("repos"), securities lending, exchange-traded derivatives, and over the counter ("OTC") derivatives including the following:

- Capability as a single point of service and system to support all collateral needs;
- Intuitive interfaces with other systems of the bank to handle end-to-end collateral management;
- Easy integration with other applications and data sources;
- Provide support for best practices and full audit trails;
- Provide excellent customer support to ease system implementation and improve ongoing service; and
- Robust data integrity controls and processes, resilient to cybersecurity and scalability.

Detailed Requirements

The collateral manager should have the ability to support end-to-end collateral management for repurchase agreements ("repos"), securities lending, exchange-traded derivatives, and over the counter ("OTC") derivatives. The Collateral Manager should have

- Experience and full awareness of the responsibilities required under the Global Master Repurchase Agreement (GMRA), Credit Support Annexe(CSA) and any other similar agreements;
- Abilities to support the Bank in repo type transaction by confirmation with client, receipt or payment of collateral, payment of receipt of funds, valuation of collateral based on appropriate haircuts, reconciliation of securities, substitution of collaterals and tracking the corporate actions of collaterals, and settlement of funds and securities on the expiration of the transactions;
- Skills to support the Bank in the calculation of the value of the collateral on the intervals as prescribed in the CSA, confirmation with the client on collateral, support with settlement of funds, calculation of interest amount on collateral, settling the eligible collateral, monitoring the corporate action on security collateral and reconciliation of collateral for different transactions;

- Ability to calculate and exchange the collateral(both Cash and Security) on a daily basis;
- Competency in providing support in different time zones and market environments;
- Support the bank through the appropriate system and service support to carry out all the collateral management related activities;
- The capability to store extensive collateral agreement terms in a well-organized and easily accessible structure, with links to scanned agreement documents;
- Expertise in storing all inputs necessary to perform complex calculations. It should offer data validation and translation facilities to ensure data quality and consistency;
- The capability to track information affecting collateral (i.e. credit events, market events, and interest payments)A system having pre-built or easily-configured interfaces to collect trade or positional data, import market data, send e-mails, format SWIFT Messages, and connect with external communication and reconciliation platforms;
- The capabilities to interface with industry platforms like Bloomberg and Reuters, and have user friendly interfaces that display reconciliation statuses, aged items, and report options
- A system with the capability to value securities held and pledged as collateral, and accept valuations of collateral and trades from multiple sources (such as external sources, and the installed systems of the Bank)
- The capability to use sophisticated algorithms to optimize, calculate the cheapest collateral to deliver, and suggest and process collateral substitutions
- The capability to calculate variation margin according to agreement terms, generate and receive margin calls, assess the eligibility of collateral received, and accept or reject collateral;
- The capability to use dashboards that can show data on inventory, eligibility, and collateral movements including the capability to query, sort, filter and export data
- To provide system-wide workflows that can orchestrate a broad range of collateral management processes such as managing incoming data, processing margin calls, issuing margin calls, and managing disputes;
- To demonstrate the reporting capabilities available in their system/framework; and
- To demonstrate continuous improvement in technology.