

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 **S-RM-2024-01466 Internal Control Testing project**. Please refer to the following information and attachment for detailed requirements.

NDB invites those interested and qualified companies to register with NDB's e-procurement system to be our **registered suppliers** and participate in the bidding process (**please be advised 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 advised 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 in a timely manner.

Activity	Date
Distribution of RFP	March 6, 2024
Notice of Intent	March 13, 2024
Deadline for Questions	March 18, 2024
Proposal Response Due	March 22, 2024
Presentation and Demonstration	TBD
Negotiation on contract	TBD
Signing Contract	TBD
Project Kick Off	TBD

**The RFP Schedule is for reference only and NDB has its sole discretion to adjust as per the project's needs.*

3. Instruction to bidders

3.1 Contact Information

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

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Email: iakovleva.polina@ndb.int

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

Proposals shall be prepared in English. Electronic version is obligatory and shall be uploaded in NDB's e-procurement system.

For submission of proposal, the qualified suppliers should register with NDB's e-procurement system to be **NDB registered suppliers** (subject to NDB's internal approval) in advance. All registration information shall be in English except for uploads of scanned or copied documents originally produced in other languages. 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/procurement-opportunities/corporate-procurement/>

The deadline, due time, closing date, among others, referred to 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 are advised to refer to the specific paragraph and page number in RFP and should quote the corresponding passage. NDB will be prompt in responding to the questions. All questions will be responded to as a group and sent to all suppliers. NDB will not provide feedback to questions raised beyond deadline.

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 **three** parts as follows. **The supplier may choose another proposal format as long as it suits the purpose.**

- Volume 1 – Information on the supplier. The supplier is required to provide the basic information in the attached table (attachment 2). Please fill out the table as complete as possible. More information will help us in evaluation.
- Volume 2 – Main Proposal

Section 1	Executive Summary
Section 2	Functional Section
Section 3	Technical Section
Section 4	Project Management Section
Section 5	Support Section

- Volume 3 – Price Proposal – Should be in a separate document even though it is an integral part of the proposal. The currency is **USD**; if quoted in other currencies, the exchange rate should be clearly defined. **The price shall be inclusive of applicable taxes (if not, please specify)**; other charges shall also be clearly defined.

3.7 Validity Period

The proposal, including pricing quotation, shall be valid at least for 120 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 supplier and a subcontractor. If there is any sub-contractor involved or engaged by the supplier, it shall be clearly stated in the proposal.

3.10 Award Notification

NDB will negotiate with all shortlisted suppliers before deciding the winning supplier. NDB reserves the right to negotiate further with the winning supplier before or 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 excluded. 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 the mandatory requirements as listed in this RFP.

The following are the main 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. Suppliers 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, suppliers must demonstrate adequate experiences in developing and implementing the requested project. NDB's confidence in the suppliers' ability to meet deadlines and successfully manage similar projects will be a primary consideration.

Special consideration is given to suppliers 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 suppliers will be carefully examined. Price will be used as a final indicator for determining the supplier finalists when all other criteria have been normalized.

iv. Presentation and Demonstration

The performances and results of Presentation and Demonstration 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, suppliers should provide adequate information to demonstrate their capabilities to fulfill this task.

5. Contract

The participants shall review the service agreement template provided by NDB in advance. The use of NDB's version of service agreement is preferable. NDB Template for Service Agreement and NDB General Terms and Conditions for Procurement Contracts can be found on the NDB's official website: <https://www.ndb.int/procurement-opportunities/corporate-procurement/>

Please note that, being an international institution, NDB enjoys privileges and immunities as per the Articles of Agreement ([Agreement on the New Development Bank](#)) and disputes will be resolved by a reputable international arbitration center. The preferable forum is Shanghai International Arbitration Center ("SHIAC") or any alternative forum in a neutral jurisdiction.

Attachment 1:

Service Scope (Statement on Work)

1. Background:

1.1 Proposal background

The New Development Bank's (NDB) intends to initiate bank-wide Control Testing program and is seeking external expertise for assisting with the initiative.

1.2 NDB and Enterprise Risk Management

Established in 2015 by BRICS countries, the New Development Bank is a multilateral development bank aimed at mobilising resources for infrastructure and sustainable development projects in BRICS and other EMDCs.

NDB's risk governance structure is based on the principles of "three lines of defence". The responsibilities for risk management are summarized as:

- First Line of defense: Identifying and managing risks, development and implementation of controls
- Second Line of defense: Establishes methodologies, provides supervision, assists various departments/ divisions to anticipate, mitigate, and control risk(s).
- Third Line of defense: Independent oversight

Internal Control Framework (ICF) is formalized by the Enterprise and Risk Management Policy of the Bank. The Bank's ICF indicates:

- The components of ICF in the Bank include the roles and responsibilities of various departments/divisions within the three lines of defence, internal-checks embedded in payments and decision making process. Various products, processes and activities are governed by standardised policies and guidelines.
- Day-to-day controls are embedded in various processes of the Bank, the departments within the second line of defence have an oversight on the effective functioning of the controls specified in the Bank.

For oversight by second line, the Bank has implemented Risk and Controls Self-Assessments (RCSAs) for all departments of the Bank.

The New Development Bank's (NDB) Enterprise Risk Management & Operational Risk Management (ERM&ORM) Division oversees implementation of Operational Risk practices across the Bank with collaboration with departments across the first, second and third lines of defense.

2. Proposed project Summary and Scope

2.1 Summary

The Bank intends to engage a consulting firm with relevant industry experience in the subject for assisting with development of Internal Control testing. Experience of working with well-established financial institutions, especially Multilateral Development Banks would be an added advantage. The project is expected to be executed in line with industry wide methodologies and related frameworks such as COSO internal control integrated framework.

The proposed project aims to assist and supplement activities of the second line of defense and involves supplementing RCSAs developed by Risk Management Department with a control testing program.

2.2 Scope:

Institutional coverage:

The Bank has 23 departments and four regional offices, with organization structure available at the website. Areas that are expected to be included as part of control test include but are not necessarily limited to Lending activities, Treasury activities (and support functions), Administration, Human Resource processes, regional offices, IT General Controls- including Information security controls and other support functions of the Bank. The Bank's IT systems and cloud infrastructure support the processes.

Based on RCSAs results and internal criteria for testing controls for High/ Very High risks, the defined controls of the RCSA need to be tested. Based on internal estimates, there could be ~ 100 controls that could be subject to the tests.

Through the proposed project, the Bank endeavors to initiate a control test program for the above controls.

Scope Exclusion:

The Bank already has Internal Controls for Financial Reporting (ICFR) policy and testing process underway. For the proposed engagement of the document, testing of financial controls: ICFR/ ICoFR related controls may be considered out of scope.

3. Project approach and timeline

The project is expected to be carried out in two phases:

3.1 Phase 1: Develop control testing program

Phase 1: In this phase, the consulting firm is expected to develop control testing program leveraging the existing controls indicated, in line with established principles and frameworks (COSO, etc.). Details of indicative work areas are given below:

- Overall Control test program specifications:
 - Governance for the control testing
 - Definition of key-control
 - Frequency, coverage as per industry standards
 - Flow of information to other instruments (Risk assessments, Incident reporting, etc.)
 - Process summary for control test program
- Review the risk and controls library available with the Bank for augmenting controls specifications
- Identify target risk areas and industry trends to establish priorities for control test
- Augmentation of specifications of controls for control testing (Indicative, non exhaustive)
 - Selection of key-controls
 - Control tests description creation (draft to be refined in phase 2)
 - Details on control design and control effectiveness assessment
 - Frequency of test
 - Assist with developing and implementing sampling methodologies for testing in accordance with industry standards
 - Dependency details: departments, personnel, systems involved, etc.
- Methodology for assessing control testing results: Test Score, corrective actions priorities, etc.
- Reporting Criteria for control test results:
 - Report TOR, along with supporting files/ templates
 - Reporting structure aligned with existing governance and controls structure of the Bank
 - Internal control deficiencies reporting: prioritization of mitigation actions
- Integration of results with other instruments and programs of the Bank: e.g. RCSAs, Incident reporting, ICoFR, etc.

3.2 Phase 2: Executing Control test

Phase 2: Carry out Bank wide control testing for a specified period for the controls as per methodology developed in Phase 1.

The objective of the exercise is to:

- Refine tests designed in previous phase
- Bank wide testing for assessing internal controls (design and effectiveness)
- Assist with developing and proposing corrective actions for controls
- Report overall efficacy of controls

An assessment report for controls performance is to be provided, which serves as assurance on controls for the specified period. The report may contain summary of control performance, gaps identified and mitigation, proposed approach(es) for control improvements.

3.3 Expected timelines

Submission of proposals are expected to reflect the project plan and cost across the two phases.

Phase	Area	Timeline
1	Develop control testing program	~ 6 weeks
2	Executing Control test	~ 14 weeks

The timelines above are estimates and can be adjusted according to the consulting firm experience, based on criteria agreed by both parties.

4. General requirements

General requirements and expected skills set of interested entities are listed below (non-exhaustive):

- Know-how and experience of banking, risk management frameworks and underlying components: control design, testing, etc.
- Know-how and experience of IT & Information Security and Cybersecurity management from second line of defense perspective
- Project management and stakeholder management skills
- Participating in official meetings and assisting with project oversight, tracking, and evaluations
- Understanding of systems, data aspects for controls design and implementation; assessing the reliability of data and information used in controls
- Design and drive the program, execute the activities (phase 2), adhering to quality standards of the Bank
- Preparing and reviewing documentation, and generating reports, for management review as per Bank's standards and templates
- Engage qualified personnel for the exercise with strong project management support

Attachment 2:

Information Category	Description	Supplier's inputs
General Information	Legal Entity Name	
	Legal Address	
	Website	
	Government Registration Number	
	Date of Registration	
	Tax ID	
	Name(s) of Authorized Signatory	
	Contact Information (name, title, mail address and telephone number)	
	Amount of Employee	
	Three reference customers (minimum)	
Financial Information	Registered capital	
	Revenue of last 3 years	
Other Information	Information Security Credentials if any	
	Data residency location, for providing service required in the RFP	
	IDD/ AML Sanctions, Yes or No. If yes, please specify.	
	Others deemed necessary	