

## 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-2024-01602 Consultancy for Credit Risk Assessment and Portfolio Monitoring project. Please refer to the following information and attachment 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 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 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	June 26, 2024
Notice of Intent	July 12, 2024
Deadline for Questions	July 12, 2024
Proposal Response Due	July 25, 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.

Name: Junfeng (Jimmy), Wang

Address: 26<sup>th</sup> floor, NDB Headquarters, 1600 Guozhan Road, Pudong, Shanghai, China

中国上海浦东新区国展路 1600 号，新开发银行总部大楼 26 层

Email: wang.junfeng@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 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. All registration information shall be in English except 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 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. 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 suppliers. The supplier is required to provide the basic information in the attached table (attachment 2). Please fill out the table as complete as possible, where it applies. More information is more helpful for evaluating.

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 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 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 cover only part of the RFP. The primary supplier will be responsible for the management of all sub-contractors. NDB will not accept any invoices from subcontractors or become part of any negotiations between a primary supplier and a sub-contractor. If there is any sub-contractor involved or engaged by the primary supplier, it shall be clearly stated in the proposal.

### **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**

Primary consideration will be given to meet 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;
5. Experience and demonstrated capabilities of having worked with other multilateral development banks and/or global/commercial banks.
6. Qualification and experience of proposed personnel who would undertake the specified activities.

#### **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 especially be aware that being an international institution, NDB enjoys privileges and immunities granted in the Articles of Agreement (Agreement on the New Development Bank) (<https://www.ndb.int/>) and disputes will be held by a reputable international arbitration center. Preferable forum is Shanghai International Arbitration Center ("SHIAC") or any alternative forum in a neutral jurisdiction.

## **Attachment 1:**

### **Terms of Reference:**

#### **Consultancy for Credit Risk Assessment and Portfolio Monitoring**

##### **1. Introduction and Background**

The New Development Bank (“Bank”) is considering to procure the services of a leading global risk consulting and analytics’ organization for credit risk assessment and portfolio monitoring.

The aim of this exercise is to allow further sophistication of NDB’s credit risk assessment and portfolio monitoring process in line with global best practices.

##### **2. Scope**

The Bank’s lending and other investment activities aim to maximize development impact in its member countries while ensuring prudent risk management. The Risk Management Department (“RMD”) of the Bank uses credit assessment process widely adopted in the multilateral development bank (MDB) community. RMD now seeks to enhance the existing credit risk assessment and portfolio monitoring processes in line with global best practices.

The Bank is considering engaging a leading global risk consulting and analytics organization from Bank’s member countries to support the RMD in an efficient way while leveraging technological innovations and ensuring utmost quality control at various stages of the credit risk assessment and portfolio monitoring. All deliverables and outputs should be in “English” language. The organization is expected to deploy suitable staff to meet the linguistic requirements.

The deliverables will include the following areas but not limited to:

###### **A. Review of Credit Risk Policy Framework**

- Review existing credit risk and portfolio monitoring policies, guidelines, and processes.
- Suggest enhancements, modifications, and improvements to credit risk and portfolio monitoring policies and processes post benchmarking with best practices globally especially well rated peer MDB’s.
- Identify data gaps and provide a data remediation plan.

###### **B. Counterparty Credit Risk Identification, Assessment and Measurement**

- Establish a detailed approach for counterparty credit risk identification, assessment, and measurement at the time of transaction initiation across Bank’s Non-sovereign Credit operations. The detailed process of sharing the approach needs to be agreed during RFP assessment stage.
- Conduct in-depth due diligence on the counterparty including but not limited to; economic and industry analysis, counterparty business model, review of operational aspects, evaluation of

historical financial performance and projections and peer benchmarking leading to a comprehensive credit rating.

- Conduct financial data extraction from all possible sources including borrower financial statements and validation in bank specified template.
- Provide customized spreadsheets by adding portfolio/sector-level data inputs and analytical adjustments by building uniform methodologies for treatment of complex adjustments across portfolio/sector.
- Conduct analysis of debt and liquidity metrics, refinancing risks, sensitivity analysis; covenant measurement & compliance, loan conditions, financial reporting compliance and triggers.
- Conduct financial modeling and analysis including but not limited to; capital structure/transaction analysis, cash flow analysis, debt service assessment, coverage analysis / sensitivity analysis.
- Provide research based analytical inputs for drafting credit memos / proposals / reports in bank specified template including but not limited to; operating risk analysis, off-taker and supplier risk assessment, analysis of the terms of the concession arrangement / other off-taker agreements such as PPAs and credit backup mechanisms.
- Reviewing term sheets and transaction structure of prospective transactions.

### **C. Portfolio Monitoring and Reporting**

- Propose a robust monitoring framework to enable proactive risk monitoring and decision making.
- Identify and validate data sources and key risk indicators (financial, non-financial, macro), calibrate trigger thresholds, and finalize calculation methodology.
- Provide periodic notes, alerts, insights, updates based on events impacting Bank's portfolio and counterparties.
- Propose dynamic monitoring approach to strengthen covenant monitoring processes for Bank's portfolio comprising headroom and trend analysis.
- Prepare periodic covenant analysis reports and dashboards to enable portfolio review of covenants.
- Advise and develop new reports and dashboards giving actionable insights to Risk Management Department in terms of risks & opportunities.
- Conduct stress testing based on stress scenarios, emulating the conditions when adverse incidents happen in economic, political, or social aspects, then use qualitative and quantitative methods to analyze the negative impact that may occur.

## **3. Requirements**

The Bank intends to engage a global consulting service provider within member countries with global experience in credit risk assessment and portfolio monitoring for Multilateral Development Banks and/or global/commercial banks.

The global consulting service provider is expected to fulfil the following requirements (indicative, non-exhaustive):

- Assist the Bank in achievement of the scope detailed above;
- Assign qualified and experienced personnel to undertake the specified activities, after due approval from RMD;
- Any changes/movements in the assigned personnel should be duly informed and approved by the RMD;
- Given that RMD will invest time and resources in training the personnel, changes/attrition beyond an acceptable range may involve punitive measures, or changing a staff member will lead to lower billing in the first two months;
- The service provider and the personnel involved should enter into an NDA (Non-Disclosure Agreement) with NDB to uphold data confidentiality and integrity of data entrusted by NDB to the consultancy;
- All materials produced in the context of this contract shall become the property of NDB;
- The service provider and the personnel involved should conform to agreed metrics for Turnaround Time (TAT), performance and quality;
- Undertake review of existing credit risk policy framework for the scope specified above;
- Suggest enhancements, modifications, and improvements to credit risk and portfolio monitoring policies and processes;
- Provide appropriate documentation up to the satisfaction of the Bank's auditing and financial disclosures requirements;
- Provide detailed training to RMD staff, regarding each of the deliverables, up to the satisfaction of DG Risk and CRO;
- Prepare responses to queries raised by other NDB departments/management/board/rating agencies on credit risk and portfolio monitoring policies and processes, and their comparison with other MDBs/global best practices;
- Assist RMD in ad-hoc requests for research or reporting requirements;
- Weekly reporting of progress;
- Duration of the project is 1 year and renewable



**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	