



REQUEST FOR PROPOSAL (RFP) FOR APPOINTMENT OF CONSULTANTS FOR OPERATIONAL RISK MANAGEMENT

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| • Date of commencement of issue of RFPs | : 3 rd August, 2009 |
| • Last date for receipt of RFPs | : 31 st August, 2009 |
| • Opening of RFPs | : 31 st August, 2009 at 3 PM |
| • Fees for RFP document (non-refundable): | Rs.5,000.00 (Rupees Five Thousand Only) |
| (in the form of a demand draft issued by a scheduled commercial bank favouring Union Bank of India, payable at Mumbai). | |
| • Earnest Money Deposit (Bid Security): | Rs.1,00,000.00 (Rupees One Lac only) |
| (in the form of a demand draft OR a Bank Guarantee issued by a scheduled commercial bank favouring Union Bank of India, payable at Mumbai) | |

NOTE:

1. In case of RFP document downloaded from the website, fees must be deposited along with the Technical Offer.
2. Any offer without payment of RFP fee will not be considered.



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1. Letter of invitation:

- 1.1. Union Bank intends to engage suitable consultants for developing and implementing an Operational Risk Management Framework and selection / implementation of related software solution which is in tune with the guidelines issued by Basel II & RBI and as per the best Banking Practices and to be implemented across all its units / departments of the Bank.
- 1.2. RFP document can be purchased against payment of non refundable fee of Rs. 5000/- (Rupees Five thousand only) in the form of a demand draft issued by a Scheduled Commercial Bank favouring Union Bank of India, payable at Mumbai at the following address:

Union Bank of India,
239, Union Bank Bhavan,
Risk Management Dept (9th Floor),
Vidhan Bhavan Marg,
Nariman Point,
Mumbai 400 021.

- 1.3. Alternatively, the RFP document can be downloaded from the Bank's website www.unionbankofindia.co.in. However, the Consultant will have to pay along with the Technical Bid (in a separate cover), a non-refundable fee of Rs. 5000/- (Rs. Five thousand only) in the form of a demand draft issued by a Scheduled Commercial Bank favouring Union Bank of India, payable at Mumbai.

2. Invitation for bids:

- 2.1. Bank invites sealed bids (Technical bid and Commercial bid) from eligible Private / Public Ltd Companies / Public undertaking and Firms for assignments of Consultancy on Operational Risk Management in line with Basel II norms and RBI guidelines.
- 2.2. The purpose of this RFP is to invite techno-commercial bids from Private / Public Ltd Companies / Public undertaking and firms, for the scope of services as outlined in the Annexure 10 of this document.
- 2.3. Schedule of bid collection and submission:

Bid reference number	Risk Management
Bid Security	Rs.100000/- (Rupees One Lakh only)
Date of commencement of sale of bid document	3 rd August, 2009
Last date and time for receipt of tender offers	31 st August, 2009
Time and date of opening of Technical bids*	31 st August, 2009 at 3 PM
Place of opening bids and address for communication	Union Bank of India, Risk Management Dept, 9 th Floor, 239, Union Bank Bhavan, Vidhan Bhavan Marg, Nariman Point, Mumbai 400 021.



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Contact telephone numbers: Name: Mr. R B Raswalkar Mail id: raswalkar@unionbankofindia.com Name: Mr. K R J Shastry Mail id: krjshastry@unionbankofindia.com	022-22896341 022-22896338
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Note: * Bidders can depute their representatives to attend the bid opening.

2.4. No separate intimation will be given in this regard to the bidders for deputing their representatives.

2.5. Bid security:

2.5.1. Bid security of rupees one lac in the form of a Demand Draft favouring Union Bank of India, payable at Mumbai or Bank Guarantee (issued by a Scheduled Commercial Bank) favoring the Bank (validity period 180 days) to be submitted along with the offer. The Bank Guarantee should be in the format as per Annexure 11. The Consultant who is selected and who has given Bank Guarantee as bid security is to tender fresh Performance Bank Guarantee for the validity period of the contract.

2.5.2. The bid security must be submitted along with the technical offer. In the event of non-submission of the bid-security money of rupees one lac in the form of DD or Bank Guarantee, the proposal will be rejected.

2.5.3. The bid security will be refunded to the unsuccessful bidders only after completion of the bid process.

2.5.4. No interest will be payable on the bid security amount.

2.5.5. Selected Consultant will be required to furnish a Bank guarantee for the successful completion of the assignment as per agreed terms as mentioned in SI No. 2.5.1.

2.5.6. Selected Consultant will have to give an undertaking to maintain the confidentiality of the information / documents obtained by them during the course of the implementation of assignment (as per annexure 1).

2.6. Eligibility criteria:

SI No	Eligibility criteria	Details of Proof
1	Should be a Public or Pvt Ltd company or a Public undertaking and firms, having its own establishment in India. Should have office at Mumbai.	Certificate of Incorporation
2	Should be in existence for at least five years as on 31 March 2009 (in case of mergers / acquisitions / restructuring or name change, the date of establishment of earlier / original partnership firm / limited company can be taken into considerations).	Annual Report Certification of Incorporation Certification of commencement of business
3	Should have a minimum turnover of at least Rs. 10 crores per annum in the past two years for its Indian operations and should have made profits for the last 3 years in succession from its Indian operations.	Annual report Annual balance sheets & P&L A/c



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4	Should not be implementers / solution providers / partners for implementation of any of the applications pertaining to Risk Management.	
5	Should have prior experience in performing consultancy services for Operational Risk Management (as described in the scope), in at least one public / private sector Bank in India.	Copies of the credential letter from the clients. Successful completion certificates from the Bank needs to be furnished along with the response.
6	Should have prior experience in assisting a Public / Private Sector Bank in RFP preparation and vendor evaluation and selection for Operational Risk Management Solution beyond The Standardised Approach (TSA).	Copies of the credential letter from the clients.
7	The bidder should have resources who have worked on similar engagement of providing consultancy services for Operational Risk Management as defined in scope of work, vendor evaluation and selection, defining the functional requirements and project management implementation. All resources to be deployed for the project should have similar experience in at least one bank in India.	Enclose certified proof.

The detailed information is to be given as per Annexure 2. The bidder should also provide information as per Annexure 5.

2.7. Terms of execution of work:

- 2.7.1. Time being an essential feature of the contract, the bidder is expected to swiftly guide the Bank and ensure that Operational Risk Management initiatives are successfully established and made functional to meet the Corporate objectives.
- 2.7.2. The contract will be for a period of one year. It is expected that all the tasks mentioned within the scope of work are to be completed within one year. However, the Bank, at its option may extend the consultancy for further period, depending on its requirements.
- 2.7.3. If the Consultant fails to complete the assignment as per the time lines prescribed in the RFP, and the extensions if any allowed, it will be breach of contract. The Bank reserves its right to cancel the order in the event of delay and forfeit the bid security/enforce the Bank Guarantee.
- 2.7.4. Consultant must provide professional, objective and impartial advice at all times and hold the Bank's interest paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests.
- 2.7.5. The selected Consultant will not be eligible for participation in the tendering, supply of equipments, solution / hardware and software of the proposed assignment.



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- 2.8. Bid security deposit or the Bank Guarantee must accompany the bid offers as specified in this bid document. Bid security deposit / Bank Guarantee should not be mixed with Technical/Commercial bid. It should be in a separate cover to be handed over to the department.
- 2.9. Bid offers will be opened in the presence of the bidder's authorized representatives who choose to attend the opening of tender on the above specified date, time and place.
- 2.10. Technical specifications, terms and conditions and various formats and pro-forma for submitting the bid offer are described in this bid document and Annexure.
- 2.11. The clarifications/interpretations given by the Bank will be final.

2.12. Two-bid system:

- 2.12.1. Technical bid and Commercial bid must be submitted at the **same time in separate sealed envelopes**, giving full particulars at the Bank's address given below, on or before the schedule given above.
- 2.13. All envelopes should be securely sealed and stamped.

Bank's address:
The General Manager,
Risk Management Dept, 9th Floor,
Union Bank of India,
239, Union Bank Bhavan,
Vidhan Bhavan Marg,
Nariman Point,
Mumbai 400 021.

- 2.13.1. All the envelopes must be super scribed with the following information:

Name of the bid: Consultants for Operational Risk Management.
Type of bid (Technical or Commercial)

Name of Bidder:
Name of Authorized Representative:

2.13.2. Envelop-I (Technical bid / Offer (TO)):

The Technical bid should be complete in all respects and contain all required information asked for, except the price. The Technical bid should include all particulars asked for in the 'eligibility criteria for bidders' as provided in the RFP. Adequate documentary evidence should be provided for each of the eligibility criteria. Any reference to price in Technical Bid shall amount to disqualification.

- 2.13.3. It is mandatory to submit the technical details as per Annexure 2. The Bank at its discretion, may not evaluate a TO in case of non-submission or partial submission of technical details.
- 2.13.4. The TO must be submitted in an organized and structured manner. No brochures and leaflets etc should be submitted in loose form.



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2.13.5. The TO should comprise the following:

- 2.13.5.1. Covering letter on the prescribed format (Annexure 6).
- 2.13.5.2. Technical specifications (Eligibility criteria) complete with all the columns filled in (Annexure 2).
- 2.13.5.3. Reference site details (Annexure 3) duly filled in with photocopies of required certificates/documents/proof should be attached.
- 2.13.5.4. Documentation (product brochures, leaflets, manuals etc).
- 2.13.5.5. Bid security of rupees one lac, in the form of a Demand Draft issued by a Scheduled Commercial Bank favouring Union Bank of India, payable at Mumbai or Bank Guarantee issued by a Scheduled Commercial Bank.
- 2.13.5.6. In case, RFP document is not purchased from the Bank but downloaded from the website, a demand draft of Rs. 5000/- issued by a Scheduled Commercial Bank favouring Union Bank of India, payable at Mumbai should be deposited before submission of the offer. This is non refundable and in case of non-payment, offers will not be opened/considered.
- 2.13.5.7. Should provide the details and work plan for each of the four-mile stones as in Annexure 13.
- 2.13.5.8. Unpriced Commercial bid as per Annexure 9 without mentioning any prices.

2.13.6. Envelope -II (Commercial bid):

- 2.13.7. The Commercial bid / Commercial Offer (CO) will give all relevant price information and will quote prices only in Indian rupees and inclusive of all taxes including service tax and statutory duties.
- 2.13.8. The CO should not contradict the TO in any manner.
- 2.13.9. The Commercial bid shall be on a fixed price basis. No upward revision in the price would be considered. However, if there is any downward reduction/upward increase on account of government levies/taxes, during the validity of contract, the same shall be passed on to the Bank.
- 2.13.10. It is mandatory to submit the Commercial Offer in the prescribed proforma (Annexure 8) duly filled in along with covering letter (Annexure 7), along with the offer. The Bank, at its discretion, may not evaluate a CO in case of non-submission or partial submission of Commercial Offer.
- 2.13.11. Please note that if any envelope is found to contain both Technical and Commercial offer, then, that offer will be rejected outright.



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- 2.13.12. The envelop containing Technical Bid and the envelop Commercial Offer should be dropped in the bid box at:

The General Manager,
Risk Management Dept, 9th Floor,
Union Bank of India,
239, Union Bank Bhavan,
Vidhan Bhavan Marg,
Nariman Point,
Mumbai 400 021.

2.13.13 The envelope for Commercial Offer to contain only Commercial Offer (as per Annexure 8) and covering letter for Commercial Offer (Annexure 7). All other documents/Annexure forms part of Technical Offer.

3. **Terms and conditions:**

- 3.1. Terms and conditions for bidders who participate in the bid are specified in the RFP document and in annexure to the RFP document. These terms and conditions will be binding on all the bidders and will also form a part of the contract, to be awarded to the successful bidder on the outcome of the bid process.

3.2. Non transferable bid:

- 3.2.1. This bid document is not transferable. Only the bidder, who has purchased this bid form, is entitled to quote and to execute the job, if allotted. There will not be any type of outsourcing.

- 3.3. The bidder should also submit an undertaking to the effect that he has not made any modification in the original copy of RFP and his bid would be liable for rejection for any violation of the above.

3.4. Offer validity period and pricing:

- 3.4.1. The offer should hold good for a period of 180 days from the last date of submission.
- 3.4.2. The best and firm price should only be quoted. Escalation in price quoted is not permitted for any reason whatsoever. Prices quoted must be firm till complete execution of contract.
- 3.5. The Bank reserves the right to accept or reject in part or full any or all the proposals without assigning any reasons thereof and without incurring any liability to the respondents.
- 3.6. The Bank may reserve the right to cancel the bid in case if it is found at a later date that the details furnished by the bidder are false and also to take action against such bidders for any damages that may be caused to the Bank.
- 3.7. The Bank will have the liberty, to short list suitable Consultants who meet the Bank's requirements, from the responses received.
- 3.8. The Bank may at its discretion increase/decrease the requirement and place orders subsequently within the validity or the extended validity of the bid.



4. **Addresses for communication:**

4.1. Offers should be addressed to the following office at the address given below:

The General Manager,
Union Bank of India,
Risk Management Dept, 9th floor,
Union Bank Bhavan,
239, Vidhan Bhavan Marg,
Nariman Point,
Mumbai 400 021

5. **General evaluation of bids submitted:**

5.1. The Bank will scrutinize the bids, to determine whether they are complete, whether any errors have been made in the offer, whether required technical documents have been properly furnished and signed, and whether the bids are generally in order. The Bank reserves the right to reject any offer not conforming to the requirements.

5.2. Prior to the detailed evaluation, the Bank will determine the substantial responsiveness of each bid to the bidding documents. For the purpose of these clauses, a substantially responsive bid is one which conforms to all the terms and conditions of the RFP without material deviations.

5.3. Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If there is a discrepancy between words and figures, the amount in words will prevail. If the Bank does not accept the correction of the errors, its bid will be rejected, and its bid security may be forfeited.

5.4. The Bank may, at its discretion, waive any minor infirmity, non-conformity, or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder and at the sole discretion of the Bank.

5.5. During evaluation of the bids, the Bank may, at its discretion, ask the bidder for clarification of its bid. The request for clarification and the response shall be in writing /email and no change in the prices of substance of the bid shall be sought, offered, or permitted.

6. **Technical evaluation:** Technical evaluation will be considered on the basis of the following:

6.1. Bidder's eligibility criteria mentioned in the RFP.

6.2. Bidder's terms and conditions and scope of the RFP.

6.3. Bidder's experience of implementing similar framework in other Banks- domestic & international.

6.4. Bidder's capability to deploy sufficient number of team members with qualification and experience of project implementation team.



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- 6.5. Adequacy of deliverables (whether proposed framework is suitable to meet Bank's requirement.)
- 6.6. Modularity of the framework proposed in the bid.
- 6.7. Feedback from reference site.
- 6.8. Scores will be allotted as per evaluation matrix given elsewhere in the RFP document.
- 6.9. Bidders who achieve overall score of 85% & above will qualify for the next stage of evaluation (i.e. financial bid evaluation). In case, none of the bidder qualifies in the technical evaluation stage (i.e. overall score is below 85%), then it is at Bank's discretion, to choose top 3 scores subject to a minimum score of 60% or discontinue the evaluation process or re-tender.

7. Commercial evaluation:

- 7.1. Total cost of consultancy shall include all consultancy charges quoted in the bid.
- 7.2. The commercials of those consultants who have cleared technical stage shall be opened.

8. Price composition:

- 8.1. The charges / fees quoted should be only in Indian rupees.
- 8.2. The charges / fees shall be on a fixed price basis and should not be linked to the Foreign Exchange.
- 8.3. The charges/fees quoted should be inclusive of all taxes, duties, etc
- 8.4. The Total Cost to Company (TCO) should include all the components mentioned in the Bill of Material format as mentioned in Annexure 8.

9. Travel and other expenses:

- 9.1. Consultant, if required by the Bank, has to travel to our offices located outside Mumbai. The Consultant will be reimbursed with the actual Economy airfare or AC-2 Tier railway fare where flight services are not available. They are entitled for actual reimbursement of boarding and lodging expenses on production of bills subject to the limit of Rs. 5000/- per day per person.

10. Final selection:

- 10.1. Bidders who achieve overall score of 85% & above in Technical Evaluation will qualify for the next stage of evaluation (i.e. financial bid evaluation), as stated in SI No. 6.9.
- 10.2. In case, none of the bidder qualifies in the technical evaluation stage (i.e. overall score is below 85%), then it is at Bank's discretion, to choose top 3 scores subject to a minimum score of 60% or discontinue the evaluation process or re-tender.



11. Other terms:

11.1.1. The Successful bidder to enter into the agreement for the services in the form acceptable to the Bank.

11.1.2. Title to the copy right/IPR pertaining to the ORM activities prepared by the selected consultant shall be that of the Bank and the Consultant should not have any reservation.

12. Payment terms:

12.1. The terms of payment will be as follows: (these are arrived based on the milestones to be achieved).

12.2. The entire assignment is divided into 4 milestones.

12.3. 20% each at the successful completion of first three milestones and the balance 40% on going live and at the end of the fourth and the last milestone.

12.4. No advance payment will be made.

13. Order cancellation and liquidated damages:

13.1. In case of unforeseen circumstances, remedial measures are to be worked out to continue and complete the task assigned.

13.2. If the consultant fails to complete the assignment as per the time lines prescribed in the RFP, and the extensions, if any, allowed, it will be breach of contract.

13.3. The Bank reserves the right to cancel the order in the event of delay and forfeit the bid security as liquidated damages for the delay. If the Consultant fails to renew the Bank Guarantee as decided by the Bank, such failure will be treated as a breach of contract/conditions and the Bank reserves its right to cancel the contract/order and forfeit the bid security as liquidated damages.

14. Eraser or Alterations:

14.1. The offers containing eraser or alterations may not be considered. There should be no hand written material, corrections or alterations in the offer. Technical details must be completely filled up. Correct technical information of the product being offered must be filled in. Filling up of the information using terms such as OK, ACCEPTED, NOTED, AS GIVEN IN BROCHURE/MANUAL is not acceptable. The Bank may treat offers not adhering to these guidelines as unacceptable.

15. Notwithstanding anything contained herein above, in case of any dispute, claim and legal action arising out of this RFP, the parties shall be subject to the jurisdiction of courts at Mumbai, India only.



1. Introduction:

1.1. Overview:

1.1.1. Union Bank of India, is one of the leading Public Sector Banks, with a network of over 2600 branches, over 70 extension counters, 9 Field General Manager's Offices, 55 Regional Offices and one overseas full fledged Branch at Hong Kong besides Two foreign Representative Offices. At the end of Mar 2009, the bank had a total business mix of Rs. 2396968 Crs. The total deposits amounted to Rs. 1,38,703 Crores, while advances was at Rs. 98265 Crores.

1.1.2. The Bank is looking for a Consultant who can provide professional, objective and impartial advice on the domain of Operational Risk Management and procurement of the related software solution.

1.2. Project Background:

1.2.1. Union Bank of India is one of the fastest growing bank in India. Internal controls and Internal Audit are the primary means of managing Operational Risk. As a part of Operational Risk Management, Bank has formulated an Operational Risk Management Policy. Also, a Mapping Policy has been framed for mapping of Bank's activities to various Business Lines for migrating to The Standardized Approach. Separate guidelines are issued as part of Operational Risk Management Policy for reporting/collection of OR risk incidents/loss events. Bank has collected OR Loss Data for 2006-07 and 2007-08. Bank calculates OR Capital presently under Basic Indicator Approach.

1.2.2. The Bank has given in principle approval to participate in the Operational Risk Loss Data Consortium being set up by IBA.

1.2.3. The few processes mentioned as above are mainly managed with the help of basic MS office tools and manual data collection methodology. In wake of these, Bank intends to strengthen the Operational Risk Management framework keeping in view the RBI and Basel II guidelines on Operational Risk Management. Also, Bank intends to procure advanced system/tools for automating the process of OR Management and capital calculation.

2. The Business Drivers:

2.1. A number of key business drivers have led to the need for ORM framework development. The Key driver is to enhance effectiveness of the Bank's ORM including value and relevancy of Operational Risk information to support business decision, transparency of ORM to management, the degree of proactive Operational Risk management by process owners, Systematic Standardized Process with common ORM definitions, accountability, credibility and reliability of ORM data, leverage of existing functions and resources in managing Operational Risk, and ORM process efficiency.

3. Evaluation approach:

- 3.1. Eligibility Criteria
- 3.2. RFP evaluation
- 3.3. Presentation by Consultant
- 3.4. Reference site visit

**4. RFP evaluation:**

4.1. Any award to be made pursuant to this RFP will be based on the proposal with appropriate consideration given to the Consultants providing tangible benefits to the Bank in addition to complying with ORM related functions. In this stage, Consultants are invited to propose their detailed ORM framework, methodology, project approach etc.

5. The breakdown for overall evaluation criteria is as follows:

Sl. No	Major areas	Marks
1.00	RFP evaluation	50%
1.1	-Experience and technical skills offered for the proposed assignment	10
1.2	-Scope of work	20
1.3	-Technical	10
1.4	- The Project team support	10
2.00	Presentation by consultant	30%
2.1	-Presentation methodology, contents, planning, design and time frame	20
2.2	- Answers to Bank queries during presentation	10
3.00	Reference site visit (1 site)	20%
(Satisfactory report from the organization where consultancy was provided to a Bank (Reference site))		
3.01	-Whether objectives of engaging the Consultant are met fully	5
3.02	-Adhering to time line of consultancy and final selection of solution	5
3.03	-Whether they are satisfied with the team support	5
3.04	-Post implementation support by Consultant	5
	Total	100

Note: Bidders who achieve overall score of 85% & above in Technical Evaluation will qualify for the next stage of evaluation (i.e. financial bid evaluation). In case none of the bidder qualifies in the technical evaluation stage (i.e. overall score is below 85%), then it is at Bank's discretion, to choose top 3 scores subject to a minimum score of 60% or discontinue the evaluation process or re-tender.

6. Verification:

6.1. All contents in the proposal should be stated clearly and accurately. Failure to demonstrate the eligibility as indicated in the RFP will cause immediate disqualification from the bid.



7. Time table:

7.1. Tentative Time table for evaluation and selection of consultant is as per Annexure 12.

8. Scope and deliverables: (As per Annexure 10)

9. The information furnished herein is only indicative and must be considered only as advance information to assist the prospective bidders to decide whether or not, to apply for pre-qualification.

10. Mile stones:

10.1. 1st Mile stone: time duration: 6 months

10.1.1. Gap analysis

10.1.2. Revision of ORM policy

10.1.3. Developing ORM framework

10.1.4. Assessment of IT risk (IT General controls)

10.1.5. Risk & Control Self Assessments

10.1.6. Loss event management framework

10.1.7. KRI framework

10.1.8. Scenario analysis

10.1.9. Methodology for assessing OR in new product/process approval

10.1.10. Review of the existing methodology for mapping bank's activities, income to different business lines for migrating to 'The Standardized Approach' (TSA).

10.1.11. Methodology and framework for quantifying operational risk under 'Advanced Measurement Approaches' (AMA).

10.1.12. Risk mitigation methodology by insurance and other methods.

10.1.13. Full project documentation of Bank's ORM framework, policy etc.

10.1.14. Training as mentioned in SI No. 15 of Annexure 10.

10.2. 2nd Mile Stone: Time duration: 1 month

10.2.1. Preparation of RFP for procurement of software solution for ORM and assessing hardware and other related requirements.



10.3. 3rd Mile Stone: Time duration: 2 months

10.3.1. Evaluation of RFP, which includes technical evaluation, presentation by vendor and reference site visit.

10.3.2. Selection of software solution.

10.4. 4th Mile Stone: Time duration: 3 months

10.4.1. Conducting UAT.

10.4.2. Customization of software.

10.4.3. Overseeing project implementation.

10.4.4. Project kick off, periodic monitoring of progress with select vendor, post implementation, evaluation and support.

Note: Some of the activities can be taken up by the selected Consultant simultaneously for completion of the assignment, in time.

11. Documentation:

11.1. All work related to the scope are to be well documented and are forming the part of deliverables.

11.2. It should be properly numbered and delivered both as soft and hard copy at the end of the each milestone.



(Undertaking from the bidder on their company's letter head)

1. We (and our employees) shall not, unless Bank gives permission in writing, disclose any part or whole of this RFP document, of the proposal, and / or contract, or any specification, plan, drawing, pattern, sample or information furnished by the Bank (including the users), in connection therewith to any person other than a person employed by the bidder in the performance of the proposal and/or contract. In case of consortium proposals, all members of the consortium shall ensure the above. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance. The employees or the third party engaged by us will maintain strict confidentiality.
2. We (and our employees and agents) shall not without prior written consent from the Bank make any use of any document or information given by the user, except for purposes of performing the contract award.
3. In case of breach, the Bank shall take such legal action as deemed fit.

Signature and seal of authorized person

Date:

**ELIGIBILITY CRITERIA**

The bidder is required to meet the following eligibility criteria and provide adequate documentary evidence for each of the criteria stipulated below. Only those bids satisfying all the eligibility criteria would be further processed.

Sl No	Eligibility criteria	Response	Details of proof
1	Should be a Public or Pvt Ltd company or a Public Undertaking/Firm/Individual having its own establishment in India. Should have office at Mumbai (Certificate of Incorporation)		
2	Should be in existence for at least five years as on 31 March 2009 (in case of mergers/ acquisitions/restructuring or name change, the date of establishment of earlier/original partnership firm/limited company can be taken into considerations) (Annual Report, Certification of Incorporation, Certificate of commencement of business, etc)		
3	Should have a minimum turnover of at least Rs. 10 crores per annum in the past two years for its Indian operations and should have made profits for the last 3 years in succession from its Indian operations. (Annual report, Annual balance sheets & P&L A/c)		
4	Should not be implementers / solution providers / partners for implementation of any of the applications pertaining to Risk Management.		
5	Should have prior experience in performing consultancy services for Operational Risk Management Framework (as described in the scope), for at least one public/private sector Bank in India (successful completion certificates from the Bank needs to be furnished along with the response). (Copies of the credential letter from the clients).		
6	Should have prior experience in assisting a bank in RFP preparation, Vendor evaluation and selection for risk management application (beyond Standardized Approach) covering Operational Risk in at least one public/private sector bank in India. (Copies of the credential letter from the clients).		
7	The bidder should have resources who have worked on similar engagement of providing consultancy services for Operational Risk Management as defined in scope of work, vendor evaluation and		



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	selection, defining the functional requirements and project management of implementation. All resources to be deployed for the project should have similar experience in at least one bank in India (Enclose certified proof)																		
	The Project team should have members with sufficient experience. The details to be provided are as under: <table> <tr> <th>Name</th><th>Designation</th><th>Total experience (in years)</th><th>Experience with the present Co/Firm (in years)</th></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td></td><td></td><td></td><td></td></tr> </table>	Name	Designation	Total experience (in years)	Experience with the present Co/Firm (in years)														
Name	Designation	Total experience (in years)	Experience with the present Co/Firm (in years)																

Note: The Consultant must comply with all the abovementioned criteria. Non-compliance of any of the criteria will entail rejection of the offer summarily. Photocopies of relevant documents/certificates duly attested by the senior officials of the company should be submitted as proof in support of the claims made. The Bank reserves the right to verify/evaluate the claims made by the Consultant independently.

We further confirm that the offer is in conformity with the terms and conditions as mentioned in the RFP. We also confirm that the offer shall remain valid for 180 days from the last date of submission.

We also understand that the Bank is not bound to accept the offer either in part or in full and that the Bank has right to reject the offer in full or in part without assigning any reasons, whatsoever.

We enclose Demand Draft/Bank Guarantee (Valid for 180 days) for rupees one lac favouring Union Bank of India and payable at Mumbai (in case of draft), towards bid security, details of the same are as under:

In case of demand drafts		In case of Bank Guarantee	
DD number		LG No and Date	
Date and amount		Name of the issuing Bank and Branch	
Name of issuing Bank and Branch		Validity period and expiry period.	

Yours faithfully,

(Name and Designation, seal of the firm)

**Annexure: 3****(Reference site details- 1 site in India)**

We give below the reference site details:

Name of the Bank (client name)	
Full Address of the Bank with PIN code	
Brief description of the nature of business/process	
Contact details (At least two contact details of senior staff of the client are to be provided for each reference)	
Contact 1 Name:	
Designation:	
Landline No:	
Cell No:	
Email id:	
Contact 2 Name:	
Designation:	
Landline No:	
Cell No:	
Email id No:	
Brief Description of the scope of consultancy service provided (may attach a separate write up)	
Duration of assignment including start date and end date	
Approximate value of service (in rupees) (optional)	

Note: Letter of consent from the bank to act as 'Reference site' to be enclosed.



Annexure 4

(in the letterhead of the company)

Bid offer cover letter

Acceptance RFP No.

Date: _____

Bid Reference No. _____

To:

1. We have gone through the entire RFP & agree for all the terms & conditions of the same. We agree to abide by this bid offer till 180 days from the last date of submission of bid and our offer shall remain binding upon us and may be accepted by the Bank any time before the expiration of that period.
2. Until a formal contract is prepared and executed, this bid offer, together with the Bank's written acceptance thereof and the Bank's notification of award, shall constitute a binding contract between us.
3. We have not made any modification in the Original RFP.

Dated this _____ day of _____ 2009

Signature _____

(in the capacity of) _____

Duly authorized to sign the bid for and on behalf of

**Particulars of the Bidder**

Details filled in this form must be accompanied by sufficient documentary evidence, in order to verify the correctness of the information.

SI No	Item	Details
1	Name of Company/Consultant	
2	Company information	
3	Country of incorporation	
4	Postal address	
5	Telephone/mobile and Fax number	
6	Name and designation of the person authorized to make commitments to the Bank	
7	E mail address	
8	Office/contact address in Mumbai	
9	Experience in terms of volume of business, number and value of projects handled	
10	Brief profile indicating presence in Indian market	
11	Details of domain expertise	
12	Global Net Profit for the last 3 years in USD (in millions) and INR (in crores)	
13	Net Profit from business in India for the last 3 years (in crores)	
14	Tangible Net Worth for the last 3 years (in Crores)	
15	Turnover for the last 3 years (in crores)	
16	Geography focus, number of employees etc	
17	Global and local experience in the field under reference, including experience in BASEL II implementation as a Consultant. The relevant document / certificate should be enclosed.	
18	Number of personnel to be deployed for the assignment with their brief profile and experience of project team in financial service sector. The Project Co-ordinator, once assigned to the Bank should not be replaced except under very exceptional circumstances and always with the consent from the Bank.	
19	Past credentials of the Consultant	
20	The Consultant should furnish the details of at least one public / private sector Bank in India where similar frameworks have been implemented / under implementation, indicating the type of assignment, date of commencement and date of operationalisation must be enclosed.	
21	Details of the similar works completed/under execution with name and location of the client and number of their branches. Nature and type	



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	of the project, services delivered/rendered, scope of the services provided, value/cost of the project and duration of the project, contract details of the client and evidence letter from the client.	
22	Proven reference sites preferably: - in India & - abroad where such type of job already undertaken (reference should be to banks with similar environment as Union Bank of India)	
23	Requirement from the Bank for implementing the assignment	
24	Name of the Banks where ORM consultancy given	
25	Any other information the bidder wish to inform (furnish full details, if any)	
26	Details of bid amount paid: DD/PO No _____ dated _____ Bank _____ Drawn on (Branch) _____ Amount Rs. _____ OR Bank Guarantee towards bid security: LG No _____ Issue date _____ Name of the issue bank and branch _____ Validity period _____	
27	PAN number _____ VAT number _____ Sales tax number _____	

Detailed CV of all nominated members to be enclosed.



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Annexure: 6

(Covering letter)

Technical Offer:

(Letter to the Bank on the Consultant's letterhead)

Date: _____

To:
The General Manager,
Union Bank of India,
Risk Management Dept, 9th floor
239, Vidhan Bhavan Marg,
Nariman Point, Mumbai 400 021.

Dear Sir,

Sub: Your RFP for developing and implementing an Operational Risk Management Framework and selection/implementation of related software solution which is in tune with the guidelines issued by Basel II & RBI

With reference to the above RFP, having examined and understood the instructions, terms and conditions forming part of the RFP, we hereby enclose our offer to provide our services for all Operational Risk Management as detailed in your above referred RFP. We agree to all the terms and conditions mentioned in the RFP. We hereby submit our Technical Offer in a sealed envelope. The offer shall be binding on us up to 180 days and subject to the modifications resulting from contract negotiations.

Yours faithfully,

(Name and Designation, seal of the firm)

Encl: Technical Offer in sealed envelope.



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Annexure: 7 (in company's letter head)

Commercial Offer:

(to be submitted in sealed envelope)

Place_____

Date_____

To:

The General Manager,
Union Bank of India,
Risk Management Dept, 9th floor,
Union Bank Bhavan,
239, Backbay Reclamation,
Nariman Point, Mumbai 400 021

Sir/Madam,

We the undersigned offer to provide our services for Operational Risk Management Consultancy in accordance with your RFP dated 3.8.2009.

Our attached Commercial Offer is for the sum of _____ (amount in words and figures). The amount is inclusive of all taxes.

Our Commercial Offer shall be binding upon us and the same is also subject to modification resulting from contract negotiations, up to expiration of the validity period (180 days) of the proposal.

We remain,

Yours faithfully,

(Name & designation, seal of the firm)

Encl: Technical Offer in sealed envelope.



Annexure 8

Commercial Bid (Bill of materials)

SL NO	Scope and deliverables	Cost	Taxes/Service tax	Total cost
1	1st Mile stone: Time duration for completion: 6 months ❑ Gap analysis ❑ Revision of ORM policy ❑ Developing ORM framework ❑ Assessment of IT risk ❑ Risk & Control Self Assessments ❑ Loss event management framework ❑ KRI framework ❑ Scenario analysis ❑ Methodology for assessing Operational Risk in new product/process approval ❑ Review of the existing methodology for mapping bank's activities, income to different business lines for migrating to TSA ❑ Methodology and framework for quantifying operational risk under AMA ❑ Risk mitigation methodology by insurance and other methods. ❑ Training as mentioned in SI No. 15 of Annexure 10 (The above is indicative and for details, refer to Annexure 10)			
2	2nd Mile Stone: Time duration for completion: 1 month. ❑ Preparation of RFP for procurement of software solution for ORM and assessing hardware requirements.			
3	3rd Mile Stone: Time duration for completion: 2 months ❑ Evaluation of RFP which includes technical evaluation, presentation by vendor and reference site visit. ❑ Selection of software solution			



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4	4th Mile Stone: Time duration for completion: 3 months ❑ Conducting UAT ❑ Customization of software ❑ Overseeing project implementation ❑ Project kick-off, periodic monitoring of progress with select vendor, post implementation, evaluation and support.			
	TOTAL COST			

Note: Some of the activities can be taken up by the selected Consultant simultaneously for completion of the assignment in time.



Unpriced Commercial Bid (Bill of material) - to be enclosed along with the technical bid.

SL NO	Scope and deliverables	Cost	Taxes/Service tax	Quoted
1	1st Mile stone: Time duration for completion: 6 months ☐ Gap analysis ☐ Revision of ORM policy ☐ Developing ORM framework ☐ Assessment of IT risk ☐ Risk & Control Self Assessments ☐ Loss event management framework ☐ KRI framework ☐ Scenario analysis ☐ Methodology for assessing Operational Risk in new product/process approval ☐ Review of the existing methodology for mapping bank's activities, income to different business lines for migrating to TSA ☐ Methodology and framework for quantifying operational risk under AMA ☐ Risk mitigation methodology by insurance and other methods. ☐ Training as mentioned in para 15 of Annexure 10 (The above is indicative and for details, refer to Annexure 10)	X	X	Yes/No
2	2nd Mile Stone: Time duration for completion: 1 month. ☐ Preparation of RFP for procurement of software solution for ORM and assessing hardware requirements.	X	X	Yes/No
3	3rd Mile Stone: Time duration for completion: 2 months ☐ Evaluation of RFP which includes technical evaluation, presentation by vendor and reference site visit. ☐ Selection of software	X	X	Yes/No



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	solution			
4	4th Mile Stone: Time duration for completion: 3 months ❑ Conducting UAT ❑ Customization of software ❑ Overseeing project implementation ❑ Project kick-off, periodic monitoring of progress with select vendor, post implementation, evaluation and support.	X	X	Yes/No

Note: Some of the activities can be taken up by the selected Consultant simultaneously for completion of the assignment in time.



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Annexure 10

SI No	Details of scope of work	Response Yes/No
1.	Objectives of the project are : - Improve all aspects of Operational Risk Management in the Bank covering people risk, process risk, system risk, legal risk and external events. - Roll out the improved ORM framework to business areas, - develop foundation for operational risk measurement including AMA and - Operational Risk Adjusted Performance Measurement (RAPM). - Frame work for compliance with all the qualifying criteria for migrating to The Standardized Approach and Advanced Measurement Approach. Expected outcomes include following and others as proposed by the consultant.	
2.	Undertake a diagnostic study to find out gaps in the existing system. To design and implement an Operational Risk Management Framework compliant with the Basel II norms and RBI guidelines in phases within a specified time line.	
3.	Timeline for implementation of ORM framework:	
3.1.	-Road map and time line for implementation of the Operational Risk Management Framework.	
3.2.	-Preparing a blue print for the bank to move towards advanced approaches under Basel II.	
4.	Assisting the Bank for revising/updating an Operational Risk Management Policy incorporating the framework for Basel II and regulatory requirements. The policy to cover:	
4.1.	-The role and responsibilities of the independent bank wide Operational Risk Management function and line of business management.	
4.2.	-A definition for Operational Risk, including the loss event types that will be monitored.	
4.3.	-The capture and use of internal and external operational risk loss data including data potential events (including the use of Scenario Analysis).	
4.4.	-The development and incorporation of business environment and internal control factor assessments into the Operational Risk Framework.	
4.5.	-A description of the internally derived analytical framework that quantifies the operational risk exposure of the institution.	
4.6.	-Qualitative factors and risk mitigants and how they will be incorporated into the Operational Risk Framework.	
4.7.	-A discussion and documentation of the testing and verification processes and procedures.	
4.8.	-A discussion and documentation of other factors that affect the measurement of Operational Risk.	
4.9.	-Provisions for the review and approval of significant policy and procedural exceptions.	
4.10.	-Regular reporting of critical risk issues facing the banks and its control/mitigations to senior management and Board.	
4.11.	-Top level reviews of the bank's progress towards the stated objectives.	
4.12.	-Checking for compliance with management controls.	
4.13.	-Provisions for review, treatment, and resolution of non-compliance issues.	
4.14.	-A system of documented approvals and authorizations to ensure	



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	accountability at an appropriate level of management.	
4.15.	-Define risk tolerance level for the Bank, break it down to appropriate sub limits and prescribe reporting levels and breach of limits.	
4.16.	-Indicate process to be adopted for immediate corrective action.	
5.	Developing ORM framework:	
5.1.	-Advising on risk governance architecture suitable to the organizational structure of the bank as a whole and for each business unit.	
5.2.	-Developing an Operational Risk Management strategy and objectives for the Bank.	
5.3.	-Re-defining the roles and responsibilities and accountability of the risk management committees and authorities, with regard to Operational Risk Management.	
5.4.	-Risk identification- Alternate approaches available, selection of a suitable approach or combination of approaches, on the basis of size, structure and business mix of the bank and by analyzing cost benefit analysis of various approaches. The scope of the exercise and the areas/units to be covered and the priority of identification. Advising on the process of risk identification.	
5.5.	-System for validating/reviewing the Operational Risk Management processes and assessment.	
5.6.	-Methodology for risk reporting covering OR exposures, material OR losses, material near misses to the Board, Management and risk analysis.	
5.7.	-Develop a system for leveraging audit function for ORM.	
5.8.	-Suggesting techniques for creating incentives to improve the management of OR throughout the Bank.	
5.9.	-Suggesting methods to assess various Operational risks (including outsourcing risk) the Bank is exposed to.	
5.10.	-Suggesting templates to measure Operational Risk in terms of financial impact, reputational impact, likelihood of occurrence, achievement of objectives etc and its level and direction.	
5.11.	-Road map and time line for implementation of the operational risk management framework.	
6.	Assessment of IT risks (IT General Controls) in view of:	
6.1.	-Core Banking Solution	
6.2.	-Loan Automation Solution	
6.3.	-Payment and Settlement Systems such as RTGS, NEFT, ECS, Mobile Banking, Cheque Truncation System, PDO-NDS, Centralized Funds Transfer System (CFTS), SWIFT, SFMS.	
6.4.	-Networking	
6.5.	-Debit Cards and Credit Cards	
6.6.	-Alternate Delivery Channels such as Internet Banking, ATM, Tele-banking etc	
6.7.	-IT related Security and Controls	
6.8.	-Managing Data Center	
7.	Risk & Control Self Assessments:	
7.1.	-Scope of Risk & Control Self Assessment (RCSA) shall include, but not limited to:	
7.1.1	-Development of methodology policy for conducting risk and control assessment and the roll out plan across various units. The methodology should include setting up of rating scales for risks and controls and evaluation of residual risks.	
7.1.2	Conduct RCSA for all business and processes of the Bank. The key businesses should include but not be limited to:	



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	Treasury, Retail Banking (liabilities, assets and cards), Trade Finance and Corporate Banking, Rural/priority sector lending, Information Technology, International Banking, Outsourcing activities. The RCSA should be considered for the above businesses, including centralized operations as applicable. The consultant is also expected to develop an implementation strategy for rolling out the RCSA across the Bank.	
7.2	Workshops:	
7.2.1	-Structuring training and assessment work shops, and developing questionnaire.	
7.2.2	-Conduct training sessions for RCSA (including methodology of risk and control identification, assessment and rating) as mentioned in this scope (SL No. 15)	
7.3	Methodology to analyze the results and evaluation methods and criteria of controls.	
7.4	Method of setting priority of risks/control and its application.	
7.5	Identification and Evaluation method of loss events and cause.	
7.6	Integrating self-assessment exercise with internal and risk based audit to avail maximum benefit of it.	
7.7	Any other suitable alternate risk identification/assessment methodology, its design, application and scope.	
7.8	MIS templates for monitoring and analyzing the RCSA results.	
8.	Loss event management framework:	
8.1.	Development of a loss event management framework to capture and analyze loss events, potential loss events and near-miss events. The framework shall include but not limited to:	
8.1.1.	Development of loss data management and capturing policy.	
8.1.2.	Template for capturing the OR incidents, OR loss, potential loss and near-miss events in day-to-day management.	
8.1.3.	Develop mechanism to enhance coverage of incident and loss data capture.	
8.1.4.	Designing MIS for capturing the loss, potential loss and near- miss events.	
8.1.5.	Develop process to capture non-financial loss.	
8.1.6.	Develop mechanism to follow up and update loss event until the event is closed.	
8.1.7.	Methodology for mapping/classification of Bank's loss events to different business lines and loss event types.	
8.1.8.	Root cause analysis and other MIS templates for Operational Loss reporting.	
8.1.9.	Identification of loss events recorded as credit or market risk under the Basel guidance on boundary events.	
8.1.10.	Methodology for avoiding double counting of operational risk losses and reconciliation of these losses with those in books of accounts/General Ledger.	
8.1.11.	Adoption of suitable techniques for creating incentives to improve the management of operational risk throughout the bank.	
8.1.12.	To conduct training sessions on the methodology of loss data identification, capturing, analyzing and classification as mentioned in this scope (SI No. 15)	
8.1.13.	Methodology for integration of external loss data with internal loss database.	
9.	KRI framework:	
9.1.	Development and implementation of KRI framework which shall include, but not limited to:	



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9.1.1.	Identification of KRI and developing a framework for setting thresholds for KRI.	
9.1.2.	Develop KRI's for all key risks for various processes, including capture of source system and calculation methodology.	
9.1.3.	Develop KRI monitoring process (including KRI data collection).	
9.1.4.	Develop KRI validation process and methodology to ensure effectiveness of KRI in measuring risk level.	
9.1.5.	KRI MIS templates for management reporting	
9.1.6.	Conduct training sessions on KRI identification and monitoring methodology including calibration of thresholds for key risk indicators	
10.	Methodology for assessing OR in new product/process approval	
11.	Framework for leveraging existing risk based audit machinery in ORM and integration of ORM and audit	
12.	Framework for embedding Risk Management in the day-to-day operations of the Bank (map ORM to performance measurement system) and approach on use tests.	
13.	Review of the existing methodology for mapping bank's income under different business lines for migrating to The Standardized Approach (TSA) up to level 3.	
14.	Methodology and framework for quantifying operational risk under AMA. The methodology should cover LDA, IMM and Scenario based approaches:	
14.1.	Statistical methodologies	
14.2.	Use of scenario analysis	
14.2.1.	Data sources for scenario analysis	
14.2.2.	At what level scenario analysis being developed	
14.2.3.	Which method to be used for scenario analysis such as workshops, series of individual meetings, questionnaires, voting etc	
14.3.	Risk mitigation methodology by insurance and other methods.	
15.	Training	
15.1.	The consultant is expected to provide training on the aspects given in Scope of work. Broadly, training should cover RCSA, KRIs, Loss Data Management, Scenario Analysis, AMA methodology, etc.. The targeted audience will be Risk Managers in Risk Management Department at Central Office, Zonal Office & Regional Office and personnel from some representative branches / departments. The Consultant is expected to suggest a comprehensive training programme keeping in view the size and profile of the Bank.	
16.	Procurement of Software Applications- The Bank intends to procure an ORM software solution and the scope of the consultancy would be as follows:	
16.1.	Preparation of functional and technical requirements.	
16.2.	Preparation of RFP/tender document.	
16.2.1.	Develop the Request for Proposal document (RFP) to be floated to the vendors for functional and technical evaluation and short listing.	
16.2.2.	Draft the eligibility criteria for the bidders in consultation with the bank.	
16.2.3.	Define and design the evaluation methodology.	
16.2.4.	Define a framework for providing a comprehensive Price Bid.	
16.2.5.	Define a framework for providing the Bill of Material.	
16.2.6.	Define a framework for sizing the bandwidth.	



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16.2.7.	Discuss the formulated request for proposal with the Bank.	
16.2.8.	Finalize and obtain sign off on the Request For Proposal drafted.	
16.2.9.	Float the Request For Proposal to the bidders.	
17.	Vendor evaluation and selection:	
17.1.	Respond to the pre-bid-technical and functional evaluation of the eligible bidders.	
17.2.	Conduct the eligibility evaluation.	
17.3.	Conduct a detailed technical and functional evaluation of the eligible bidders.	
17.4.	Perform technical /Bill of Material normalization.	
17.5.	Present the technical and functional evaluation to the Bank	
17.6.	Assist the Bank in the technical and functional short listing.	
17.7.	Conduct a Commercial bid evaluation of the technically short listed vendors.	
17.8.	Assisting the Bank in short listing the vendor and final selection.	
18.	Hardware:	
18.1.	The Bank expects the application consultant to propose the hardware configurations required to implement the proposed solution. This hardware configuration should include-sizing of server (CPU, main memory required, storage requirement etc) which takes into consideration the present and future volume estimates, current technology, and path for upgrade/growth.	
18.2.	The vendor should also present a hardware topology diagram depicting the following:	
18.2.1.	☐ Overall hardware architecture	
18.2.2.	☐ Hardware requirements including sizing of the hardware	
18.2.3.	☐ Operating system and RDBMS requirements	
18.3.	☐ Any other Operational Risk related issues to be addressed in the context of the guidance issued by RBI and Basel committees.	
18.4.	☐ The Bank prefers a Solution that confirms to open standards in respect of hardware platforms and operating environment. If the proposed vendor solution includes any proprietary components, the vendor should identify such components and also provide details about service availability in terms of support, upgrades, ongoing maintenance and other such areas.	



Format of Bank Guarantee

To**Union Bank of India
239, Vidhan Bhavan Marg,
Nariman Point,
Mumbai 400021**

Dear Sirs,

In response to your invitation to respond to developing and implementing an Operational Risk Management Framework and selection/implementation of related software solution which is in tune with the guidelines issued by Basel II & RBI, M/s _____ having their registered office at _____ (hereinafter called the 'Consultant') wish to respond to the said Request for Proposal (RFP) for self and other associated Consultants and submit the proposal for the same.

Whereas the Consultant has submitted the proposal in response to RFP, we, the _____ Bank having our head office _____ hereby irrevocably guarantee an amount of Rs. 100000/- (Rupees one Lac only) as Bid security as required to be submitted by the Consultant as a condition for participation in the said process of RFP.

The Bid security for which this guarantee is given is liable to be enforced/ invoked:

- 1) If the Consultant withdraws his proposal during the period of the proposal validity; or
- 2) If the Consultant, having been notified of the acceptance of its proposal by the Bank during the period of the validity of the proposal fails or refuses to enter into the contract in accordance with the terms and conditions of the RFP or the terms and conditions mutually agreed subsequently.
- 3) If the bidder, if selected for awarding the Contract, fails to renew this Bank Guarantee as decided by Union Bank of India.

We undertake to pay immediately on demand to Union Bank of India the said amount of Rs. 100000/- (Rupees One lac only) without any reservation, protest, demur, or recourse. The said guarantee is liable to be invoked/ enforced on the happening of the contingencies as mentioned above and also in the RFP document and we shall pay the amount on any demand made by Union Bank of India which shall be conclusive and binding on us irrespective of any dispute or difference raised by the bidder.

Notwithstanding anything contained herein:

- 1) Our liability under this Bank guarantee shall not exceed Rs. 100000/- (Rupees One lac only).
- 2) This Bank guarantee will be valid upto 180 days; and
- 3) We are liable to pay the guaranteed amount or any part thereof under this Bank guarantee only upon service of a written claim or demand by you on or before _____.

In witness whereof the Bank, through the authorized officer has sets its hand and stamp on this _____ day of _____ at _____.

**Timetable:**

Key Activities targeted	Completion date
Issue RFP to potential consultant (start date)	3 rd August, 2009
Pre-bid meeting	17 th August, 2009
Last date and time for submission of proposals	31 st August, 2009 up to 3 PM
Time and date of opening of Technical bids	31 st August, 2009 at 3 PM
Presentation by eligible consultants	15 th September, 2009
Reference site visit	24 th September, 2009
Announcement of final selection of Consultant	15 th October, 2009
Start of consultancy Services	20 th October, 2009

Note: The above time table is tentative and the Bank reserves the right to change the dates as per requirements.

**Details of the Work plan:**

SL NO	Scope and deliverables	Work plan
1	1st Mile stone: Time duration for completion: 6 months ❑ Gap analysis ❑ Revision of ORM policy ❑ Developing ORM framework ❑ Assessment of IT risk ❑ Risk & Control Self Assessments ❑ Loss event management framework ❑ KRI framework ❑ Scenario analysis ❑ Methodology for assessing Operational Risk in new product/process approval ❑ Review of the existing methodology for mapping bank's activities, income to different business lines for migrating to TSA ❑ Methodology and framework for quantifying operational risk under AMA ❑ Risk mitigation methodology by insurance and other methods. ❑ Training as mentioned in SI No. 15 of Annexure 10 (The above is indicative and for details, refer to Annexure 10)	
2	2nd Mile Stone: Time duration for completion: 1 month. ❑ Preparation of RFP for procurement of software solution for ORM and assessing hardware requirements.	
3	3rd Mile Stone: Time duration for completion: 2 months ❑ Evaluation of RFP, which includes technical evaluation, presentation by vendor and reference site visit. ❑ Selection of software solution	



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4	4th Mile Stone: Time duration for completion: 3 months ❑ Conducting UAT ❑ Customization of software ❑ Overseeing project implementation ❑ Project kick-off, periodic monitoring of progress with select vendor, post implementation, evaluation and support.	
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Note: Some of the activities can be taken up by the selected Consultant simultaneously for completion of the assignment in time.

**List of abbreviations used:**

RFP	Request For Proposal
CO	Commercial Offer
TO	Technical Offer
TCO	Total Cost to Company
OR	Operational Risk
ORM	Operational Risk Management
LG	Letter of Guarantee
CPU	Central Processing Unit
RDBMS	Relational Data Base Management System
KRI	Key Risk Indicators
MIS	Management Information Systems
RCSA	Risk & Control Self Assessment
RAPM	Risk Adjusted Performance Measurement
PAN	Permanent Account Number
VAT	Value Added Tax
USD	United States Dollars
INR	Indian Rupees
IPR	Intellectual Property Rights
UAT	User Acceptance Test
IMM	Internal Measurement Approach
LDA	Loss Distribution Approach



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LIST OF ANNEXURES

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