



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-TPM-2021-00339 LIBOR Transition Consulting Service project. Please refer to the following information or attached TOR (Service Scope) for detailed requirements.

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

2. RFP Schedule

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

Activity	Date
Distribution of RFP	June 16, 2021
Deadline for Questions	July 1, 2021
Proposal Response Due*	July 7, 2021
Negotiation on contract	TBC
Signing Contract	TBC
Project Kick Off	TBC

*Decision about second round can be done based on the results of first proposals review.

3. Instruction to bidders

3.1 Contact Information

Please use the following contact information for all correspondence with NDB concerning this RFP. **Suppliers who solicit information about this RFP either directly or indirectly from other sources will be disqualified.**

Ms. Polina Iakovleva

Address: 33rd Floor, BRICS Tower, No. 333, Lujiazui Ring Road, Pudong, Shanghai

上海浦东陆家嘴环路 333 号，金砖大厦 33 层

Email: iakovleva.polina@ndb.int

3.2 Submission of Proposals

Proposals shall be prepared in English. Both hard copy and electronic version is acceptable. Hard copy (6copies at least) is **optional** and shall be sent in sealed covers. Electronic version is **obligatory** and shall be submitted online via Electronic Procurement System.

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

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

3.3 Questions

Please submit questions in writing by e-mail. Vendors 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 vendors.

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 vendors.

3.5 Proposal Costs

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

3.6 Proposal Format (if applicable)

NDB recommends that the proposal should contain two parts as follows. **The vendor may choose other format if you desires so.**

Volume 1 – Main Proposal

Section 1 Executive Summary

Section 2 Functional Section

Section 3	Technical Section
Section 4	Project Management Section
Section 5	Support Section

The above format is only a recommendation. Suppliers could use other formats if you desire so.

Volume 2 – Price Proposal – Should be separate but integral part of the proposal. The currency is USD; if quoting in other currencies, the exchange rate should be clearly defined. **The price shall be inclusive of applicable taxes (if not, please specify)**; and other charges shall also be clearly defined. Note: The payment will be done by international wire transfer, then NDB recommends that the tax fee must be included in the proposal, with respective details. Payment terms applicable - not less than 30 days.

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 vendors who are going to complete a proposal.

3.9 Sub-contractor

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

3.10 Award Notification

NDB could negotiate with all shortlisted suppliers before deciding the winning vendor. And NDB reserves the right to negotiate further with the winning supplier before and in the contracting process. The remaining vendors will be notified in writing of their selection status.

4. Evaluation Criteria

The proposals will be reviewed and evaluated by NDB's team in accordance with the related policy and guidelines, especially the six principles (Economy, Efficiency, Competition, Transparency, Value for Money, Fit for Purpose) contained in NDB's corporate procurement policy. NDB is interested in obtaining a complete solution to the requirements contained in this RFP. Proposals that meet the proposal instructions and requirements will be given a thorough and objective review. Proposals that are late, or do not comply with proposal instructions, or take exceptions to mandatory requirements will be eliminated without further consideration. The following are the key factors that would be taken into consideration for evaluating the proposals.

i. Technical Approach and Methodology or Software Solution

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

The following are factors in the evaluation.

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

ii. Project Management

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

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

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

iii. Pricing

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

iv. Presentation and Demonstration

The results of Presentation and Demo will be evaluation factors.

v. Support and Maintenance

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

5. Contract

The participant shall review the service agreement template provided by NDB in advance. The use of NDB's version of the agreement is preferable. Template agreement and general terms and conditions can be found on the NDB's official web-site <https://www.ndb.int/data-and-documents/corporate-procurements/>

Attachment:

Request for Consulting Service for NDB LIBOR Transition Project

Background

The London Interbank Offered Rate (LIBOR), the most important number in the financial markets, is set to be phased out by the end of 2021. Alternative reference rates (ARRs), also known as risk-free rates (RFRs), have been identified as a replacement. The New Development Bank (NDB) has established the LIBOR Transition Steering Committee and LIBOR Transition Working Group to conduct comprehensive impact analysis of LIBOR Transition in different working streams, such as lending, funding, legal, information technology, client outreaching and accounting etc.

Request

In March 2021, the management approved the request of appointing a consulting service to support the LIBOR Transition Working Group for project validation and implementation. The following table details the components for the proposed LIBOR Transition project engagement scope along with tentative timeframe for implementation.

Scope of work

Project No.	Project Name	Scope and Details	Supporting Division	Tentative Timeline
1	RFR valuation analysis	<ul style="list-style-type: none">a. Assess business requirements for curve construction.b. Develop RFR (SOFR, SARON, ESTR, etc.) and associated curves.c. Validate valuation results and cash flow calculations.d. Research best migration practices for the universe of discontinued curves as per available market instruments and conventions.e. Assess basis risk led by different RFRs.f. Evaluate pricing gaps and volatility arising from the change in reference rates.g. Produce detailed scenario analysis on loan portfolio and treasury investment portfolio.h. Re-run of the outstanding transactions (historical re-run).	Risk	Q3 2021
2	Migration for legacy treasury investment and funding portfolio	<ul style="list-style-type: none">a. Use available data dashboards and market risk analysis to validate strategies to migrate LIBOR exposure to the new benchmark.b. Coordinate with relevant divisions to ensure compliance with mandate and limits and subject to market liquidity.c. Support the set-up and testing the Treasury Management System (TMS) to ensure that it provides the functionality to transfer exposure within internal books and the ability to book conversion trades from LIBOR to the new benchmark.	Treasury	Q3 2021

3	RFR issuance and hedging	a. Validate and support for RFR hedging, and issuance instrument setup.	Treasury	Q3 2021
4	Treasury Management System (TMS) Validation	a. Overall system data validation, system upgrade validation, UAT, etc. b. Ensure different publication times and pricing across all RFRs are incorporated in processes and systems.	Treasury, Risk, FBA	Q3 2021
5	Loan Management System (LMS) Validation	a. Validate and support on calculation of spread between IBORs and ARR (using different methodologies) b. Perform “what-if” scenario analysis to support the Bank to make decisions on timing of switch, spread methodology, risk management etc. c. Support in validation of outputs based on various interest calculation methodologies and other loan parameters and conditions based on test cases d. Support in validation of the static data in LMS (eg. pulling in the correct SOFR rates from Bloomberg)	FBA	Q3 2021
6	Accounting and tax	a. Evaluate impacts on fair value calculation according to accounting standards. b. Validate cash flow calculation, settlement, and accounting movements. c. Potential tax acceleration impacts d. Evaluate impacts on fair value calculation according to accounting standards, accounting impact for Day 1 P&L and disclosures to be made in the financial statements. e. Review the interest accrual calculations, ensure the offset-and-rebook process align with the correct referred rates.(especially for quarter-end and year-end closing).	Risk, FBA	Q3 2021