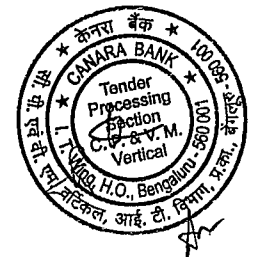


Replies to Pre bid Queries for GeM Bid ref. no: GEM/2023/B/4395256 dated 26/12/2023 for Selection of Consultant for Extensive Review and Validation of ICAAP and Stress Test Policy/ Document/ Procedure of Canara Bank

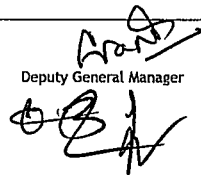
Sl. No.	Page No.	Section / Annexure / Appendix	RFP Clause	Sub-Clause/ Technical Specification	Bidder's Query	Bank's Reply
1	13	SECTION C - DELIVERABLE AND SERVICE LEVEL AGREEMENTS	2. Payment Terms	<p>2.1. Phase 1 & 2: Submission of detailed Report: In depth analysis of the Bank's existing policy/ document/ procedure duly encompassing the GAPS for Extensive Review and Validation of ICAAP and Stress Test Policy/ Document/ Procedure of Canara Bank and acceptance by the Bank.</p> <p>Phase 3: Draft report on ICAAP and Stress Test framework of the Bank and acceptance by the Bank.</p>	<p>We understand that the deliverables should include a draft gap assessment report on the ICAAP and Stress Testing Framework of the Bank and a final report post acceptance by the Bank. Bank to kindly provide the expectation on the 'detailed report' mentioned under Phase 1 & 2.</p>	<p>Bidder to refer Annexure-9 Scope of work, which is self explanatory. Detailed Report should primarily include gap analysis/ enhancements to Bank's existing ICAAP and Stress Testing policy/procedure document in line with the guidelines as per internal Policy or as per the regulatory prescriptions or as per the industry standards. Further, the Bank prepares ICAAP Outcome document and Stress Test document based on the Procedure Manual/ Policy. So the consultants are also expected to extensively analyse/ enhance the procedure manual, if required and provide an assessment report. The said report may consist of outcomes & suggestions to be implemented along with the SOP for any modification/addition/deletion particularly for Bank or industry specific apart from mandatory regulatory guidelines.</p>
2	NA	Generic	Generic	Generic	<p>Please confirm if the Bank has implemented any solution for ICAAP / Stress Testing / Pillar II Computations / Capital Planning</p>	<p>At present Bank is not using solution for ICAAP, Stress testing & Pillar II Computations</p>
3	60	Annexure-9 Scope of Work	2. Scope of Work: b. Stress Test Policy and Procedure Manual	<p>iv) Suggest practical measures for making use of stress test outputs in Bank's decision making process in terms of potential actions like risk mitigation techniques, contingency plans, capital and liquidity management in stressed conditions, etc.</p> <p>v) Suggest measures to integrate stress test outcomes and make it integral part of risk governance, risk culture and risk management processes of the bank.</p> <p>vi) Suggest narrative based scenarios to conduct bank-wide/group-wide stress testing more comprehensive.</p>	<p>We understand that the consultant is expected to provide inputs/advisory on areas in which the stress testing outputs could be used by the Bank for decision making, measures to integrate the stress-test outcomes with the risk management framework of the Bank and narratives for comprehensive scenarios to conduct stress testing. However, development of new templates/re-design of existing excel templates of the Bank is not in the present scope.</p> <p>Please confirm our understanding.</p>	<p>Bidder to refer Annexure-9 Scope of work, which is self explanatory. Apart from providing inputs/advisory on areas in which the stress testing outputs could be used by the Bank, the consultants are also required to enhance / re-design excel templates, if required.</p>
4	60	Annexure-9 Scope of Work	2. Scope of Work: b. Stress Test Policy and Procedure Manual	<p>iii) To review the methodology for establishing correlation amongst various risk viz. Credit Risk, Market Risk, Operation Risk, Liquidity Risk & IRRRBB & aggregation of impact.</p>	<p>Please confirm if the Bank has developed correlation matrix amongst the risk types for getting the diversification benefit under stress testing.</p>	<p>At present, correlation amongst various risks has been arrived based on expert judgement (qualitative approach). However, the Bank expects the consultants to come up with quantitative tools/ models to assign/ develop correlation matrix.</p>
5	32	SECTION G - GENERAL CONDITIONS	5. Human Resource Requirement	<p>5.6. The Bidder has to submit following KYC documents for onsite/Offsite engineer: 5.6.6. Background Police Verification report - Duly attested photocopy by candidate and Bidder HR</p>	<p>We request to delete this requirement.</p>	<p>Bidder to comply with RFP terms</p>



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Sl. No.	Page No.	Section / Annexure / Appendix	RFP Clause	Sub-Clause/ Technical Specification	Bidder's Query	Bank's Reply
6	35	SECTION G - GENERAL CONDITIONS	14. Exit Management Plan:	14.Exit Management Plan: 14.1.Successful bidder shall submit a structured & detailed Exit Management plan along with Training and Knowledge transfer for its exit initiated by the Bank. 14.2.Successful bidder shall update the Transition and Exit management on half yearly basis or earlier in case of major changes during the entire contract duration. The plan and the format shall be discussed and approved by the Bank.	The duration of this assignment is only 45 days. We request to delete the Para 14.	Bidder to comply with RFP terms
7	37	SECTION G - GENERAL CONDITIONS	17. Business Continuity Plan:	Business Continuity Plan:	This is not applicable to this RFP	Bidder to comply with RFP terms
8	50	Annexure-2 Pre-Qualification Criteria	C. Experience & Support Infrastructure	<u>Sl. No. 12</u> <u>Pre-Qualification Criteria</u> The bidder should have experience in providing consultancy for reviewing/ designing/ implementing or drafting ICAAP and Stress Test policy/ procedure/ document or similar at least in one BFSI sector Institution in India during last 3 Financial years. <u>Documents to be submitted</u> <u>In compliance with Pre-Qualification Criteria</u> -The bidder should submit Satisfactory performance certificate from clients/ Contract Certificates with client/ Work order/ Audit report for such report or framework done.	We have different entities for Consulting business and for Audit business (under the same management. The Institute of Chartered Accountants of India and Govt of India consider all our entities as 1 Group). We understand that the work carried out by our audit firm entities for the BFSI institutions shall also be considered. Kindly confirm.	Relevant experience in providing consultancy for reviewing/ designing/ implementing or drafting ICAAP and Stress Test policy/ procedure/document of the applicant firm only will be considered.

Date: 08/01/2024
Place: Bangalore


Deputy General Manager

