RFPHQ-UNCDF-05042020 - Procurement of Financial Instruments Management Systems and Related Services

Q & A, Response 1/Round 1

	QUESTION	RESPONSE
1	We understand the requirement of providing audited financial statements as stated in the Financial Standing section of Form D, however as a privately held company we do not produce annual audited statements. The accounting firm we use will be happy to provide a letter confirming our viability as a company. Will this suffice?	Audited financial statement is an attachment to Form D (Qualification Form) and is considered a requirement. Please see the following conditions of financial statement as being compliant: a. Must reflect the financial situation of the Bidder or party to a JV, and not sister or parent companies b. Historic financial statements must be audited by a certified public accountant c. Historic financial statements must correspond to accounting periods already completed and audited. No statements for partial periods shall be accepted. If the above requirements cannot be provided, and the prospective bidder continues to desire to submit an offer, a signed statement explaining why the document cannot be provided must be submitted. However, after thoroughly evaluating all the documents received, and the evaluation panel determines that the explanation is not acceptable, the evaluation panel for this procurement action reserves the right to reject the proposal and render it non-compliant.
2	Funding / Currencies - We are looking to understand what you expect the system to do from a currency perspective: a. You have stated you anticipate booking loans in USD but work with other currencies. Do you have a need for the loans to calculate in other currencies, or will you simply receive payments in other currencies and convert to USD? b. Similarly, do you have a preference on which system maintains the currency rates (the proposed system or Atlas)? c. Are new loan originations funded via Atlas or do you anticipate funding to take place out of the proposed system?	Please see response: a. The loan disbursement and repayment schedules are defined in local (or "other") currencies. UNCDF disburses loans and receives payments in local currencies. UNCDF's Atlas system automatically converts all currencies in the system into USD for the purpose of booking the transaction. UNCDF Atlas makes use of the UN Operational Rate of Exchange (UNORE) prevailing on the exact date of the transaction in the system. b. We do not have a preference on which system maintains the currency rates (UNORE). Currently, Atlas has the currency rates to convert transaction amounts for booking purposes c. We anticipate all loan cash disbursements and repayments to take place via Atlas.

#	Question	Answer
3	What is the split of loans versus guarantees in the portfolio (as a %)?	Loan – 93%, Guarantee – 7%
4	How much delinquency is in the portfolio (as a %)?	The portfolio is relatively young, and UNCDF deals with early signs of challenges. In 2019, about 3 loans had challenges following the payment schedule. They have all been restructured.
5	Are your loans/guarantees secured against any particular assets?	UNCDF can and will possibly accept collateral for loans and guarantees in the future, although at the moment, all its loans and guarantees have been unsecured.
6	Section 12 (page 7) discusses the term "Proposal Security" and "Performance Security", however the document referring to Performance Security in section 41 (page 15) links to a page that we are not able to view. Please provide details on your expectation of the bidder related to "Performance Security" and/or "Proposal Security" for this RFP. If one or both are required, what is the required amount?	Please see the Bid Data Sheet (BDS) on the requirements for proposal (bid) security and performance security: not required for both. References to Section 2 - instruction to bidders (ITB) in BDS are also hereby corrected: For proposal security, the correct reference to Section 2 is para. 12 For performance security, the correct reference to Section 2 is para. 41 As also requested, please see corrected version of the link in para 41 of ITB, RFP. **41. Performance Security** 41.1 A performance security, if required in BDS, shall be provided in the amount specified in BDS and form available at https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PSU_Solicitation_Performance%20Guarantee%20Form.docx&action=default within fifteen (15) days of the contract signature by both parties. Where a performance security is required, the receipt of the performance security by UNCDF shall be a condition for rendering the contract effective.
7	Section a (page 26) uses the term "sourcing of investments". Do you expect this software to manage the process that procures funds that are later used in the lending process?	In this document, the term "sourcing of investments" pertains to UNCDF's uses of funds, i.e. to look for UNCDF's potential borrowers or guaranteed party.
8	Section b (page 26) mentions the "storage of scanned copies of documents". Is there an external content management system that you plan to store scanned copies with, or do you expect the proposed solution to offer this capability? We are trying to	We expect the proposed solution to offer this capability. Ideally, we want all the documents and information to be housed in one system.

	confirm if you are looking for an integration or a storage solution	
9	As stated at the top of page 27, we interpret the term "development finance" to mean UNCDF's ability to lend funds to other countries for the purposes of economic development. Please confirm if our understanding is correct	In this context, we use the term "development finance elements" to refer to non-commercial activities to further the economic development mission of UNCDF. We listed these major elements/activities because we think that these are not standard activities in a commercial bank, and that a typical commercial banking IT system may not have seeded functions to manage these kinds of activities.
10	Are these loans/guarantees given to corporations only or to individuals as well?	UNCDF's loans and guarantees are only given to organizations: SME businesses or institutions such as a local government of another country. They are not given to individuals.
11	As stated in section i on page 27, please provide further details as to what "Calculation of subsidy to borrowers and application of contribution to reserve" means.	UNCDF's loans and guarantees are given to recipients at below market rate. Based on the rules of accounting for non-profit, UNCDF calculates and books the subsidy amount for every loan repayment or guarantee approval (i.e. the difference between the theoretical market rate calculated by UNCDF and the rate given to borrowers/guaranteed party). Regarding reserves, UNCDF's rules says that for every loan/guarantee payment transaction, UNCDF needs to set aside a certain amount of money in a separate account as "reserves" in order to cover for potential losses in the future. The calculation of both the subsidy and reserves are based on pre-defined formulas.
12	As stated at the bottom of page 27, UNCDF is looking for the ability to begin payment for maintenance and support 6 weeks after go-live. The cloud solution we offer is an all in one priced product that includes hosting, licenses, monitoring, maintenance, support and the entire technology stack for the software, and as such that contract must begin and be invoiced/billed at the beginning of the project as servers and technology is set up. Is UNCDF willing to entertain this type of offering?	UNCDF expects the cloud solution to cover hosting, licenses, monitoring, the entire technology stack, and standard maintenance and support that comes with cloud system. These are the "back end support services" mentioned in the last sentence under Financial Instrument Management System section of page 26. The System Maintenance Support at the bottom of page 27, however, refers to services that are requested by users further along the way after go-live, which typically do not fall under standard service in a cloud-based contract. These requests can include system design changes and new features, design of reports, additional trainings or special assistance. Nonetheless, if your solution package includes the latter type of user-requested services (i.e. not billed separately), UNCDF will still entertain and evaluate your firm's offering based on the evaluation criteria.
13	Given you've asked for a cloud-based solution, are there any requirements for uptime, support hours, responsiveness to production issues, etc. (we acknowledge this may refer to your answer to our question on Performance Security above)?	• Uptime: At least 99% (downtime should happen during weekends or midnights) • Support hours: Regular office hours (8 am to 6 pm, Monday to Friday)

			• Responsiveness to production issues: Within 24 hours, except for critical issues (less than 2 hours)

14	Typically, projects of this nature require integrations with other systems. We understand the requirement to interface with your Atlas/GL system, however, would also like to understand if there are expectations to interface with any other systems. The following are typical in an enterprise lending system implementation:
	
	    a. Credit Bureau Providers
	    b. Tax Management (application of sales taxes)
	    c. Automated/Electronic signature (i.e. DocuSign)
	    d. Application Portal (receipt of incoming automated/electronic applications).
	    e. Payment Gateway Providers (or customer self-service portal)
	    f. Banking / ACH Providers (for the purpose of funding loans)
	    g. Email / Text Providers (for communications with customers)
			Please see response:
			
			    a. Credit Bureau Providers – None.
			    b. Tax Management (application of sales taxes) – None.
			    c. Automated/Electronic signature (i.e. DocuSign) – UNCDF will consider DocuSign if contracts with customers can be generated from the system. For UNCDF's internal approval of transactions, system click approvals will serve the purpose.
			    d. Application Portal (receipt of incoming automated/electronic applications) – None.
			    e. Payment Gateway Providers (or customer self-service portal) - None.
			    f. Banking / ACH Providers (for the purpose of funding loans) – None
			    g. Email / Text Providers (for communications with customers) – Yes