

Queries & Clarifications

RFP Reference: RFP:SP&PB:109/152 DT 21.09.2017

Appointment of Consultant for

“Design and Implementation of Unit Costing, Product Profitability and Expense Control Framework

Sr. No.	Module/ Page	Queries Received	Bank of Baroda's Response
1	Module 1 Section - 3.3 Page 18	Are the processes and activities across the bank documented? Are there existing SOP's?	At present, there is no specific documentation of existing SOPs that would be available for the purpose of this assignment.
2	Module 1 Section - 3.3 Page 18	Is there a framework defined for Cost Allocation of Support Functions to various SBU's?	There is no such existing framework defined for Cost Allocation of Support Functions to various SBUs in the Bank.
3	Phase 2 Section - 3.3 Page 18	Is the Consultant supposed to develop only the framework or selection and implementation of a technological tool across the modules is also a part of the scope?	The Consultant's scope of work would include all of the points specified - developing the framework and support in selection and implementation of technology tools across the modules.
4	Module 1 Section - 3.3 Page 19	Are the walkthroughs/meetings supposed to be done for International Offices as well?	The International operations of the Bank would be in scope; however the Consultant is not expected to travel on-site for this.
5	Module 1 Section - 3.3 Page 19	How many schemes are there under each product?	The products and services offered by the Bank along with variants/ features are available on the Bank's website.
6	Module 1 Section - 3.3 Page 19	How many Branches and Regional offices to be considered as a sample for Time and Motion Study across the Bank to cover the products and processes within scope?	The scope and approach for the assignment may be proposed by the consultant based on their experience.
7	Module 1 & 2 Section - 3.3 Page 18 & 20	Is there any existing Unit Costing and Product Profitability Framework for the Bank?	There is no such existing Unit Costing and Profit Profitability Framework in the Bank.
8	Module 1 & 2 Section - 3.3 Page 18 & 20	Is there any system used for cost allocation and Product profitability?	There is no system currently being used for cost allocation and Product profitability.
9	Module 2 Section - 3.3 Page 20	Is Customer Level Profitability within the scope of the engagement?	Customer Level Profitability is not included in the scope of the assignment.
10	Module 3 Section - 3.3 Page 21	Is Manpower Cost Optimization within the scope of the engagement?	Manpower Cost Optimization is not included in the scope of the assignment.
11	Module 4 Section - 3.3 Page 21	Is there any existing Dashboard that is published and reported by the bank to the senior management?	The senior management has existing dashboards/ reports in place. The scope of work for this assignment is to define dashboards that are aligned to the frameworks design for the Bank.
12	Section 3.2 Page 17	What is the expected impact of the change in the operating model and organization structure of the Bank, on this project.	The proposed frameworks designed as part of the scope of the assignment should have the capability of being adaptable and scalable for any future changes in the operating model and organization structure of the Bank.

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13	Section 3.3 Page 18	We will assume that the granularity of the costing exercise will be a function of the cost and product information/ MIS/ accounting system currently available	The granularity of the proposed unit costing exercise should be benchmarked to the best in class.
14	Section 3.3 Page 18	We assume that review of Funds Transfer pricing (FTP) is not part of the scope of this project, and the existing FTP framework will be considered as an input to this exercise.	This is correct.
15	Section 3.3 Page 20	Please clarify if scope of module 3 – Expense control framework also includes change in existing expense control procedures / authority limits / span of control, etc.	It includes changes as needed so that the frameworks put in place are benchmarked to the best in class.
16	Section 3.3 Page 20	We assume that expenses involve only operating expenses and not capital expenditure. Hence areas relating to review of capital expenditure viz. payback calculations, own / lease options, etc are out of scope for this project.	This is correct.
17	Section 3.3 Page 21	Phase 2 would be a function of the speed with which BOB proceeds in finalizing and taking a decision on an appropriate IT solution. Hence there could be a gap between Phase 1 and Phase 2.	We do not anticipate any gap between Phase 1 and Phase 2. Given that this is a time bound assignment, decisions would be taken within the defined timelines.
18	Section 3.3 Page 21	For Phase 2 we assume that the Consultant is expected to assist in MIS solution design & selection. Can you please clarify on the implementation assistance required with respect to the tools, hardware and software required for this purpose.	The Consultant is expected to assist the Bank in design and implementation which would involve supporting the Bank in hardware/ software selection among other things needed. The Bank expects handholding and capability transfer to the Bank's team all through the assignment.
19	Section 3.3 Phase 2 Page 18	Implementation and institutionalization of the Unit Costing, Product Profitability and Expense Control Frameworks for the Bank requires extracting and transforming the existing data from the source systems for consumption during delivering the scope of work mentioned in this RFP. Will BoB extract and provide the clean data from the source systems (and / or applications) in the required template provided by the Bidder	The Bank will share the data as available with the selected Consultant from the existing source systems supported by the Bank's Data Warehouse.
20	Section 3.3 Module 1 Page 18	We note that the RFP indicates the Bidder to provide implementation support for the Bank based on actual cost data, information and MIS provided by the Bank. Does it mean the Bidder has to propose the best-fit software, implement the proposed software and also provide a stabilization support post the implementation	The Consultant needs to provide design and implementation support for institutionalization of all aspects in scope.
21	Section 3.3 Module 1 Page 18	Is Krishi credit cards a product of the bank or subsidiary and will the products of the subsidiary be a part of this project?	Baroda Kisan Credit Cards (BKCC) and It is product of our Bank. Products offered by the subsidiaries are not part of this assignment.

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22	Section 3.3 Module 2 Page 20	We note that the RFP indicates the Bidder to provide implementation support for the Bank for institutionalization of the product profitability framework. Does it mean the Bidder has to propose the best-fit software, implement the proposed software and also provide a stabilization support post the implementation	The Consultant needs to provide design and implementation support for institutionalization of all aspects in scope.
23	Section 3.3 Module 3 Page 21	We note that the RFP indicates the Bidder to provide implementation support for the Bank for institutionalization of the expense control framework so that the Bank realizes the cost savings and further improves the cost to income ratio. Does it mean the Bidder has to propose the best-fit software, implement the proposed software and also provide a stabilization support post the implementation	The consultant needs to propose the design of the expense control framework and implement the same with stabilization support by handholding and capability transfer.
24	Section 3.3 Module 4 Page 21	We note that the RFP indicates that the Bidder is expected to drive the solution design, selection and implementation of the tools, hardware and software required for this purpose. Does this mean the bidder has to implement the best-fit software to deliver the Unit Costing, product Profitability and Expense Control Framework. Or, is the Bidder expected to facilitate BoB with the selection of the best-fit software and a Technology partner to implement the software through an RFP process.	The consultant needs to propose the design of the expense control framework and implement the same with stabilization support by handholding and capability transfer.
25	Section 3.3 Module 4 Page 21	Firm is independent of the softwares OEMs and will not be involved in the selection of the implementation vendor as this may be a case of conflict of interest for a consultant. Request BoB to separate the procurement of software and hardware from the designing and implementation of Unit Costing, Product Profitability and Expense Control Framework solution.	The scope of work of this assignment is specified in the RFP, to be read in conjunction with the Bank's responses to the Pre-Bid queries.
26	Section 3.3 Module 4 Page 21	We note that the RFP indicates that the selected Bidder has to design a set of automated reports/dashboards and basis our experience in delivering similar solutions, we request BoB to cap the number of reports / dashboards to 50 for ease of effort estimation	The Consultant is expected to design an optimal set of automated reports/ dashboards based on their relevant experience.
27	Section 3.3 Module 4 Page 21	We note that the RFP indicates that the selected Bidder has to design a set of automated reports / dashboards and assume that these reports would be delivered using the inbuilt capabilities of the software and no additional visualization tools are to be implemented. Please confirm	The deliverables from this assignment should be in line with the Bank's desired business outcomes.

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28	Section 3.3 Page 21	We note that the duration for Phase 2 is indicated as 5 months for the implementation of and institutionalization of the solution. Does it imply that there would be no post implementation of support post the 5 months of implementation.	We expect the Consultant to manage the project timelines given their experience which addresses the scope of work as per the RFP.
29	Section 4 Page 24	Subsections have been incorrectly mentioned as 1.3 and 1.4 instead of 4.3 and 4.4. This can lead to confusion considering that the document already has previously existing subsections 1.3 and 1.4 in the Section 1 on Introduction. Kindly rectify.	This is correct, kindly note the change. Subsections 1.3 and 1.4 should read as 4.3 and 4.4 respectively.
30	Section 4 Page 27	Request BoB to assign weightage to the technical presentation / demonstration of the software capabilities of the bidder to have a better understanding	The evaluation criteria has been specified in the RFP which will be based on all inputs received by the eligible firms, as specified in the Technical Proposal submission as well as presentations.
31	Section 4 Page 27	Considering that the experience and credentials as well as Team Profile contain 65% weightage, requesting BoB to clarify on how the evaluation for the experience, credentials and team profile will be done	The evaluation will be undertaken as per technical evaluation criteria. The decision of the Bank's evaluation team will be final in this regard.
32	Section 5.4 Page 32	The clause says "excluding travel, stay or out of pocket expenses of participants" while the clause on Page 63 (Annexure 10, Commercial Bid) says that Total fee quoted above shall be all inclusive i.e., Professional Fee as well as all Out of Pocket Expenses (such as Travel, Lodging and Boarding, Conveyance, Printing, Administrative Expenses etc.). Both the above statements seem contradictory. Requesting BoB to kindly clarify	Kindly provide the total fees which should be all inclusive i.e., Professional Fee as well as all Out of Pocket Expenses (such as Travel, Lodging and Boarding, Conveyance, Printing, Administrative Expenses etc.). The clause says "excluding travel, stay or out of pocket expenses of participants" is a typo.
33	Section 5.4 Page 32	Is the consulting team expected to travel to branch / other locations as well? If yes, kindly provide the frequency of travel expected? Also, will the cost for the same be required to be added as a part of the overall Commercial Bid?	It depends upon the proposed design by the consultant. However, the Bank doesn't expect to travel frequently to the branches specially off shore branches. Even though if any such travelling is made, the cost must be included in overall Commercial Bid.
34	Section 5.6 Page 33	Annexure 13 contains 'Format for RFP Queries'. No annexure attached for payment terms	The Consultant may propose payment terms in their proposal, which has to be mutually agreed by the Bank and the selected Consultant during contract finalization.
35	Additional Query	We note that the RFP indicates that the solution to be delivered will be used across BoB and request BoB to provide the approximate number of users for the solution / software	We cannot notify the same at this stage.
36	Section 6.7 Page 36	Request that the confidentiality period be capped at 3 years beyond the contracted period.	This clause will be as per the RFP.

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37	Section 6.10 Page 41	ABC is a global firm. As a global policy, non-solicitation of employees is not acceptable. Request BOB to remove the clause on 'Solicitation of employees'.	This clause will be as per the RFP.
38	Section 6.11 Page 41	Request BOB to reconsider this clause on Auditing rights. Since ABC is an audit firm, it may not be possible to allow audit on the premises of ABC due to client confidentiality issue. Suggest replacing this with "Bidder to provide the client or its auditor (bound by respective confidentiality obligations) upon request of the latter with all the information and documents directly related to the engagement, without granting access to the Firm's premises".	This clause will be as per the RFP.
39	Section 6.14 Page 42	Request BoB to define the extent of indemnity expected	This will be defined as part of the contract with the selected Consultant.
40	Section 6.23 Page 47	Request BoB to reconsider / reduce the LD exposure clause	This will be defined as part of the contract with the selected Consultant.
41	Section 6.24 Page 48	Request BOB to reconsider this clause on Auditing rights. Since ABC is an audit firm, it may not be possible to allow audit on the premises of ABC due to client confidentiality issue. Suggest replacing this with "Bidder to provide the client or its auditor (bound by respective confidentiality obligations) upon request of the latter with all the information and documents directly related to the engagement, without granting access to the Firm's premises".	This clause will be as per the RFP.
42	Additional Legal Points	Requesting BOB to add the following to the agreement: Limitation of Liability - The Client (and any others for whom Services are provided) shall not recover from ABC, in contract or tort, under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated. The Client (and any others for whom Services are provided) shall not recover from ABC, in contract or tort, including indemnification obligations under this contract, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services	This clause will be as per the RFP.

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43	Additional Legal Points	<p>Requesting BOB to add the following to the agreement:</p> <p>2. Report: Any information, advice, recommendations or other content of any reports, presentations or other communications ABC provide under this Agreement ("Reports"), other than Client's Information, are for Client's internal use only (consistent with the purpose of the particular Services) including Client's board of directors, its audit committee, or its statutory auditors and not for disclosure externally outside your organization. Client may not rely on any draft Report and ABC shall not be required to update its Final Report.</p>	<p>This will be defined as part of the contract with the selected Consultant.</p>
44	Additional Legal Points	<p>Requesting BOB to add the following to the agreement:</p> <p>Confidentiality -"Except as otherwise permitted by this Agreement, neither of the parties may disclose to third parties the contents of this Agreement or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Parties may, however, disclose such confidential information to the extent that it: (a) is or becomes public other than through a breach of this Agreement, (b) is subsequently received by the receiving party from a third party who, to the receiving party's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (c) was known to the receiving party at the time of disclosure or is thereafter created independently, (d) is disclosed as necessary to enforce the receiving party's rights under this Agreement, or (e) must be disclosed under applicable law, legal process or professional regulations. These obligations shall be valid for a period of 3 years from the date of termination of this Agreement."</p>	<p>This will be defined as part of the contract with the selected Consultant.</p>

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45	Additional Legal Points	<p>Requesting BOB to add the following to the agreement:</p> <p>ABC may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how ("Materials") that ABC own in performing the Services. Notwithstanding the delivery of any Reports, ABC retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers that ABC compile and retain in connection with the Services (but not Client Information reflected in them). Upon payment for the Services, Client may use any Materials included in the Reports, as well as the Reports themselves as permitted by this Agreement.</p>	<p>This will be defined as part of the contract with the selected Consultant.</p>
46	Section 3.3 Page 18	<p>a. Is the Project Scope limited to Bank of Baroda standalone domestic operations or does it also include overseas operations; and</p> <p>b. Does the Project Scope include all entities at the Bank of Baroda consolidated level? If yes, please provide clarification on entities which would be included under the scope. Refer Annexure 1 for reference.</p> <p>Note: Page 25 of RFP mentions - "However, kindly note that the Bank reserves the right to finalize and if deemed necessary, focus on only the domestic presence of the Bank (and excluding the international presence) from the scope of work, as decided by the Bank. The Bank's decision is FINAL in this regard."</p>	<p>a) The project scope is limited to Bank of Baroda domestic operations and overseas operations. The Bank does not expect the Consultant to visit our overseas branches.</p> <p>b) No.</p>
47	Section 3.3 Page 20	<p>Module 2: Product Profitability Framework</p> <p>Is the Product Profitability Framework limited to Bank's 'Products and Services' (primarily as listed on page 19 and 20 of the RFP -subject to finalisation based on work in Module 1) or would it also include profitability by following factors:</p> <ul style="list-style-type: none"> • Business Verticals • Business Locations • Channels • Transactions 	<p>The framework is limited to the Bank's product and services as published on the Bank's website.</p>

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48	Section 3.3 Page 21	Module 3: Expense Control Framework "Based on a detailed analysis of the Bank's expenses across all functions, map the cost heads against which there are opportunities for optimization based on market benchmarks." Please elaborate on the Bank's expectation and definition of the 'market' for benchmarks. For example - all banks in India with balance sheet size more than specific threshold, top 5 banks in India (except BoB), select South Asian banks	The Bank expects the Consultant to propose the market benchmark in line with the best in class.
49	Section 3.3 Page 21	Module 4: Reports and Dashboards Request to provide details on hierarchical levels to be included in the 'Senior Management' for design of Reports and Dashboards. For example, would the MIS be limited to Heads of Business Verticals or one level below i.e. Head of Products within Business Verticals, etc.	The reports are meant to be for the MD, EDs, Functional/ Vertical Heads, two levels below Functional/ Vertical Heads and Product Heads.
50	Section 5.4 Page 32 & 63	Per Clause 5.4 - Other RFP Requirements - Fixed price – "The Commercial Bid shall contain the Commercial Bid which shall be on a fixed fee basis including professional fee and out of pocket expenses of the Respondent (excluding travel, stay or out of pocket expenses of participants)." However, Annexure 10 – Commercial Bid (page 63) stipulates to provide Total Fees amount including Out of Pocket expenses. Please provide clarification.	Kindly provide the total fees which should be all inclusive i.e., Professional Fee as well as all Out of Pocket Expenses (such as Travel, Lodging and Boarding, Conveyance, Printing, Administrative Expenses etc.).
51	Section 5.6 Page 33	Per Clause 5.6, "The payment terms are given in the Annexure 13." However, Annexure 13 on page 67 is "Format for RFP Queries". Please provide details on payment terms.	The consultant may propose their suitably payment terms which has to be mutually agreed by the Bank and the Respondent.
52	Section 5.7 Page 33	Clause 5.7 - Partnering with Other Agencies stipulates – "In case the Bidder or the associate firm is found to not possess the requisite capabilities, they will be summarily disqualified from the process for this assignment." In case of joint or consortium bids in compliance with Clause 5.7 of RFP, the terms of criteria mentioned in Annexure 1 (page 53 of RFP) would need to be satisfied on joint or individual basis?	The Bank expects the Bidder to fulfill the criteria mentioned in Annexure 1 on a standalone basis.

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53	Annexure 1- Eligibility Criteria Page - 53	“The bidder should have a team of at least 10 practicing professionals with cost accountancy qualification” plus “need for certified ICWAI professionals” We would like to understand the role of 10 practicing professionals with cost accountancy qualification during the project as not all of them might be required for the project execution. In addition, we would request if this requirement be waived off if the team have directly relevant client work experience or possess international equivalent certifications?	There will be no change in this requirement as specified in the RFP.
54	Annexure 2- Eligibility Criteria Page - 53	“The bidder should have minimum turnover of INR 25 Crores from advisory / consulting services in each of the last 2 financial years” Can we use global financials of our firm? Being a NYSE traded firm, we cannot disclose any financial results other than those disclosed to all investors (i.e.: via annual report or investor presentations). Hence revenue from consulting would not be available, and revenue from India would not be available, but revenue from ABC which is almost exclusively consulting revenue can be disclosed at the global level	The Bidding entity is required to fulfil all the eligibility criteria as per the RFP.