

Points requiring clarifications in relation to the RFP-77

S#	Clarification/ Information Required	Comments
1	Karandaaz is requesting a pre-built LMS solution while at the same time asking for complete IP rights and designs which is usually a norm for custom development solution. Secondly the request for min 5 year experience means that most likely the technology stack will not conform to the latest technology standards prevalent currently.	<p>Please propose an alternate to this concern. This will be finalized at the time of contract negotiation.</p> <p>Please mention the technology components that you think have been used in your product, and have not been around for 5 or more years.</p>
2	Mobile / Internet Banking is required as part of the solution. As per our knowledge an NBFi can't operate as Bank, or deposit taking entity. This means, there will be a need of a Core Banking System to run with LMS.	<p>Mobile/Internet banking is required for whatever information and service may be provided for the clients such as viewing their balances, next payment dates, address change, etc. Bidders may be creative and provide a list of options that be provided with this service in NBFi's context.</p> <p>They will access their information from depository partner using their systems, however KRN NBFi would like to have this Mobile/Internet service as part of the footprint.</p>
3	The requirement is for a hosted or cloud solution. If a cloud solution is proposed, can the cloud environment be outside Pakistan ?	No
4	Timeline - a very short and rigid timeline of 3 months has been mentioned for the implementation. Similar systems take about 6 to 8 months to be implemented successfully. Can the timeline be enhanced ?	We expect the bidders to assume the role of true partner and help us achieve this seemingly challenging task. 6-8 months may be a task whereby the implementation requires re-engineering of process or converting/migrating data. This is greenfield implementation and there is no reason why it can't be achieved in given time.
5	Can the implementation be broken up in phazes, to be spread over the longer timeframe required?	No

6	There is a restriction that the Consultants (or support) cannot be from India or Israel. Is this a Nationality restriction or Geographical? For example, can an Indian consultant based out of DUBAI be involved in the Project?	Nationality restriction	
7	It is mentioned that the Intellectual Property rights would be Karandaaz's. Does this apply to the original software solution, or only the customization/modifications done for Karandaaz?	Please propose an alternate to this concern. This will be finalized at the time of contract negotiation.	
8	How many users are expected to use the solution (named, concurrent)?	Around 20 (Users, not clients)	
9	Can Karandaaz share an approximation/range of the Budget available for this solution?	No	
10	Which ERP solution is Karandaaz running at present?	None	
11	Every NBFIs has some unique operations. A general purpose system meets most of the operations of NBFIs but some customization will be required. What about customization time/features?	We will start with standard operations and customizations may come as the operations will start (if required). Otherwise, it may also be discussed in initial Business Requirement sessions. However, none at this time.	
12	How project management team can evaluate system success/failure?	Please see deliverables section.	
13	Clarification needed in the integration to Core banking system integration, so far I think ATM or Credit Card companies have integration with account through an interface, but repayment through Bank account or post dated cheque is not clear?	Client is expected to make a payment of the loan through a post dated check, and it is a common practice in such models. All channels to make this service available should be open, either physical or digital.	
14	No of NBFIs? (Where system will deploy)	Please see 16	
15	Size of NBFIs (Require to size hardware)	Please see 16	
16	Please provide the current numbers as well as expected year on year growth for the following: - <i>Regional Center (if any)</i> - <i>Branches</i> - <i>Sub-Branches and Satellites (if any)</i> - <i>Agency branches (if any)</i> - <i>Number of Customers</i>	Current	Projected: Next 2 years
		0	1
		0	5-8
		0	10
		0	0

	<ul style="list-style-type: none"> <li>- <i>Number of Accounts</i></li> <li>- <i>Active Loans</i></li> <li>- <i>Peak Transactions per Day</i></li> <li>- <i>Peak Transactions per Month</i></li> <li>- <i>Current No. of Users</i></li> <li>- <i>Concurrent Users Requirement</i></li> <li>- <i>Existing Portfolio</i></li> </ul>	<table border="1"> <tr><td>0</td><td>2000</td></tr> <tr><td>0</td><td>3000</td></tr> <tr><td>0</td><td>100+</td></tr> <tr><td>0</td><td>2000+</td></tr> <tr><td>0</td><td>50+</td></tr> <tr><td>0</td><td>Internal users (30+)</td></tr> <tr><td>0</td><td>TBD</td></tr> </table>	0	2000	0	3000	0	100+	0	2000+	0	50+	0	Internal users (30+)	0	TBD
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17	<p>Karandaaz has requested for hosted and cloud-based solution. Could you please clarify what Karandaaz perceives as a hosted solution?</p>	<p>Hosted solution is where bidder may provide a data center facility/racks/HW/SW, etc. instead of going to a cloud service provider and KRN will be charged for the services and HW/SW. Cloud based is expected to a monthly service, as in pay as you utilize model.</p>														
18	<p><b>Task 2 “Design and implementation of Hosted/Cloud-based environment” Section 5 Terms of Reference</b></p> <p><i>“d) Details of locations (Where the contractor plans to perform the hosting or where the cloud is located) and planned locations (Disaster recovery location) should be provided. Both options should be physically located in Pakistan.”</i></p> <p>Please confirm is this a mandatory requirement? If the cloud is outside of Pakistan but is also providing services through its partners in Pakistan, will that be considered acceptable?</p>	<p>It has to be in Pakistan</p>														
19	<p><b>Clause 2 Financial proposal under Section 2 "Instructions to bidders" sub-section C "Preparation and Submission of Proposals"</b></p> <p><i>“Two financial proposals must be submitted based on Hosted and Cloud based solution on company”</i></p> <p>Please confirm is it mandatory to submit financial proposals for both hosted and cloud based solution? If we submit financial proposal for only one model Hosted or Cloud based, will that be acceptable?</p>	<p>Yes</p>														

20	<p>a. Please confirm, is there any data that is to be migrated on to the new LMS system?</p> <p>b. Please provide details, in what form the data is available which is required to be migrated to the new LMS system? How many outstanding number of loans are required to be migrated?</p> <p>As per our standard practice, AutoSoft’s implementation teams will provide excel data templates to Karandaaz team on which they have to provide the data to be migrated into our LMS System. This is AutoSoft’s standard approach, please confirm if it is acceptable to Karandaaz?</p>	<p>A) No B) NA</p>
21	<p>a. Please list down the current and third party systems with which integrations will be required by Karandaaz?</p> <p>Please also confirm the total number of integrations required</p>	<p>Task 5 (PERFORMANCE)</p>
22	<p><b>Task 6 “Knowledge Transfer &amp; Training” &amp; point 8 “Documentation”</b></p> <p><i>“the vendor has to provide documentation such as user manuals, administrator manuals, technical specification manuals, training plans etc. with response to this RFP.”</i></p> <p>a. In this regard, AutoSoft provides application user manuals, security and technical specifications, implementation guide, installation guides, etc. as part of its system deliverables to all our clients. These will be provided to the client after successful implementation of the system and update of the required documentation as per the system specifications deployed. Please confirm, is the user manual required to be submitted along with RFP response?</p> <p>If so, please note, a single product manual is over 350 pages and training plans of the products are also lengthy,</p>	<p>a) No, not with the RFP response b) Samples should be fine</p>

	<p>AutoSoft will only be sharing some sample pages from the manual and samples training plans as an evidence of the availability.</p>	
23	<p><b>Clause 27 “Currency for Price Evaluation”</b>  <i>For the evaluation and comparison of financial proposals, Karandaaz Pakistan shall convert all prices quoted in US Dollars to PKR, using the selling exchange rates published by the State Bank of Pakistan on the date of opening of financial proposal.</i></p> <p>Please confirm, can AutoSoft quote / bid in US Dollars? If selected for procurement by Karandaaz, payments can be made in Pak Rupees at the time as per prevailing SBP rates.</p>	<p>Yes, Clause 27 stands!</p>
24	<p><b>Clause 2 Financial proposal under Section 2 "Instructions to bidders" sub-section C "Preparation and Submission of Proposals"</b>  <i>“Rates should be quoted, inclusive of all but showing separately, costs of inspection, services, transportation, Provincial/Federal taxes, import duties if any and other levies, all services, licenses, out of pocket expenses, withholding income tax &amp; sales tax.”</i></p> <p>The Financial proposal template provided does not provide provision to segregate these costs. Please confirm, should we alter the financial proposal template to include these items or an estimate per consultant of these items be added in the man day cost?</p>	<p>Please use Misc. section of the template to add any necessary rows.</p>
25	<p><b>clause 2 Financial proposal under Section 2 "Instructions to bidders" sub-section C "Preparation and Submission of Proposals"</b>  <i>“The Bidder will be responsible for meeting all tax liabilities arising out of the contract. Karandaaz will not be responsible for any erroneous calculation of tax rates or any subsequent changes in rates or structure of applicable taxes. All differences arising out as above shall be fully borne by the Successful Bidder.”</i></p>	<p>Bidders need to provide price both inclusive and exclusive of the taxes as requested in the RFP.</p>

	<p>Since the bid validity requested by Karandaaz is 120 days and can also be further extended by Karandaaz, the prevailing tax rates cannot be guaranteed to remain constant during this time period. It is standard practice in the software services industry to quote prices excluding applicable taxes which are finalized at actual as per the prevailing tax rates at the time of payment.</p> <p>Please confirm can the bidders quote price excluding of taxes?</p>	
26	<p><b>Section 4, Clause 37 “Ownerships of Intellectual Property Rights”:</b></p> <p><i>37.1 All databases, designs, documents, technologies, supplier, developments, software, know how, customizations, object codes, source codes, operational materials, maintenance materials and related materials to the <b>Lending Management System (LMS)</b> which are made and used by the successful Proposer during the course of the project and any copyrights, patents, registered or unregistered design right, data base right, registered or unregistered trade mark, rights in relation to confidential information (Intellectual Property Rights) related thereto shall be assigned irrevocably and exclusively to Karandaaz Pakistan or its nominee.</i></p> <p>Please note, this is not a standard practice in the Software Industry. The software solutions are modified at the time of implementation for fit for use by any organization and a Right to Use the software system is provided to the organization as per the License Agreement. The ownership of all technologies, trademarks, business logic etc are retained by the solution provider and ownership of the data used and processed by the software solution is with the organization granted the right to use.</p>	<p>Please propose an alternate to this concern. This will be finalized at the time of contract negotiation.</p>

	Please update the clause accordingly as per industry standard terms and conditions.	
27	<p><b>Section 4, Clause 37 “Ownerships of Intellectual Property Rights”:</b></p> <p><i>37.2 The successful bidder shall assign these Intellectual Property Rights to Karandaaz Pakistan or its nominee for unlimited and unfettered use for or in relation to the use of the <b>Lending Management System (LMS)</b>.</i></p> <p>Please note, this is not a standard practice in the Software Industry. A right to use the software system is provided to the organization as per the License Agreement. The right to use is contingent upon a valid License Agreement and is not indefinite or unlimited.</p> <p>Please update the clause accordingly as per industry standard terms and conditions.</p>	Please propose an alternate to this concern. This will be finalized at the time of contract negotiation.
28	<p><b>Section 4 Clause 37 “Transfer of Rights”</b></p> <p><i>Karandaaz Pakistan reserves the right to use and transfer all of the <b>Lending Management System (LMS)</b> software licenses rights to its nominee at no additional cost and without the imposition of any conditions of such transfer. Should such transfer occur the transferee acquires all rights and obligations of Karandaaz Pakistan. The transferee effectively acquires the same rights as enjoyed by Karandaaz Pakistan.</i></p> <p>Please note, the software solution is only being offered to Karandaaz for its internal use. All ownership rights will remain with AutoSoft and only a right to use is being granted to Karandaaz only and not to any of its nominees.</p> <p>This clause is therefore not applicable and inaccurate so it should be removed.</p>	Please propose an alternate to this concern. This will be finalized at the time of contract negotiation.

29	<b>Functional Requirements:</b>	
30	<p>• <b>Non-Fund Based Services</b></p> <p>As per the RFP, the Non-Funded Based Services will be required by next year 2021. Please provide more details on Non-Fund based services module so that an assessment can be made of the solution required and required module can then be added in the system.</p>	Section 9, item f) provides details on this.
31	<p><b>“b) Mobile / Internet Banking for customers”</b>  <i>Administrator should be able to block internet devices</i></p> <p>Please elaborate this requirement further what it means and what functionality is actually required in the system?</p>	This means that if Administrator is able to see a threat coming in from certain IP address or certain type of device (Android/Windows/iOS, etc.), he/she should be able to block that type of device in as much granularity as possible to remove any threats as quickly as possible. This is so that as many clients as possible should still be able to use the system, while a block of clients may be out of service but at least you have stopped the data from being jeopardized from a threat source.
32	Please confirm , if KRN needs Transaction Monitoring system as well ?	Please propose one keeping in mind best/standard industry practices in Pakistan for the similar organizations.
33	<p><b>Supply Chain Finance</b></p> <p>Further understanding and discussion is required on the requirements listed under Supply Chain Finance module. We would request you if we can arrange a conference call with relevant stakeholder to discuss Supply Chain Finance requirements or please elaborate what is required from the system related to supply chain finance?</p>	Please refer to Functional Requirements (Section 3).
34	Please elaborate, does Karandaaz require the internal infrastructure needed for users? Or is that already in place e.g. client terminals / systems for users, networking, internet connection, printers, tablets, etc.	No, not needed. KRN will provide it.
35	Although Karandaaz has requested for a cloud based solution, since the solution will have highly confidential customer financial data, we wanted to clarify if there is any	None that we know of.

	regulatory restriction that prevents use of a cloud based solution from SBP or SECP?	
36	The functional requirements of Karandaaz are listed under Section 5 “Terms of Reference” as well as in Annexure D “Technical Criteria for Qualification”. Please confirm are the vendors required to respond to Annexure D? if so, please confirm that it contains all the functional requirements?	Annexure D is the minimum and wider spectrum of services to be provided, however, everything in Scope, Deliverables, and Functional Requirements is what is expected to be part of the RFP.
37	Please note, the solutions required “Hosted or Cloud based” are very comprehensive and more time is required to finalize the solutions after engaging cloud and hosted service providers. We would request Karandaaz for extension in bid submission date of at least 15 days so that a complete solution as per Karandaaz’s terms of reference and scope of work can be submitted.	Please adhere to the timelines given in the RFP at this time. For any updates, please continue to visit KRN website.
38	Solution should conform to High Availability (HA) and Disaster Recovery (DR). What should be DR capacity, 50%, 25 % etc?	50%
39	Can we host Cloud environment outside Pakistan as well?	No
40	“Ability to support ADC channels, such as debit cards, etc”. Please explain this functionality as Karandaaz is an NFBI so and will not be handling checking accounts so where they wanted to use Debit cards and ADC? (Also specify the ADC Channels needs to be integrated)	This requires that you should mention only the ability of your product, so that if ADC is required in future, we have the capability to offer it to our clients.
41	Please share the requirements of digital document management	System should be capable to have minimal paperwork or hardcopy environment. A Digital Document System will ensure that all copies of the documents submitted by clients such as (but are not limited to) application, property papers, collaterals, etc. are indexed and stored in the system.
42	“Maintenance and support including IT operations of hardware, software, databases, network, and application for a period of 3 years” à Does this support includes to run core banking operations for Karandaaz?	No. KRN will have its own Operations staff. (PERFORMANCE, TASK 6, item k)

43	Please clarify, Karandaaz required 3 year support for HW and Software from Principal like Oracle and six moth post production support for core banking implementation from Partner?	That depends on your service model, if you are a partner in good standing with Principal and have back-to-back agreements to cover the services, and with enough inventory to manage the HW support, you may propose that in the response. Model should be simple to understand and adaptable by KRN. (Not too many numbers to call, filling of tickets, etc.)
44	More clarity required to handle on “ <b>Non-Fund Based Services</b> ” product as LC/LG can’t is purely baking product and not even MFB offer this product, we assume, Karandaaz would like to fund customer had taken facility of LC/LG? please elaborate.	We need a fund based product now, but in future we may require an NFBS product based on clients’ needs.
	Please list down if there are any existing systems or Partner FI systems that needs to be integrated as part of implementation	Task 5 (PERFORMANCE)
45	<b>Peripheral application software components</b> à this is complete AML/KYC requirements which is need by a commercial Bank and never part of any core banking solution. Does Karandaaz really required a separate AML/KYC software or just KYC data capturing in CBS?	KYC should be fine.  Do share your experience or industry knowledge about AML in similar organizations.
46	Please confirm if Urdu language support is required on Customer and/or Field Officer interfaces (Mobile Banking, Loan Origination Screens)	It’s a nice to have feature. It is certainly an advantage.
47	Module related to <b>Certificate of Deposit/Investment</b> will tentatively be up for go-live around November 2021 à Please explain this, we can implement and test this functionality and defer go-live? Is this what Karandaaz looking for?	Yes
48	Internet website. Procurement of the website, domain name registration and hosting should also be Contractor’s responsibility?  <b>Assumptions</b> 1- Black listed Companies/Personnel lists can be maintained in AML/KYC module of Core? (page 35, section 5a - iii)	Internet Website is separate from Mobile/Internet Banking.  Following responses are provided in context of Mobile/Internet Banking:  1- If the functionality is available in the product, that would be an ideal situation. But, it is required.

	<p>2- Account linking with FI client account also be done at Core? (page 48, 2.4)</p> <p>3- Credit limit utilization request to partner FI can be done via Core ? (page 48, 2.5)</p>	<p>2- Client's account should be able to provide information from the depository partner's system</p> <p>3- Same as 2.</p>
49	Section 25 & 28 (Page 9 & 10) – Technical and financial evaluation of hosted and cloud models will be done separately or cumulatively? Particularly for scenarios when a vendor chooses to bid only for one model based on their expertise.	“The evaluation committee may evaluate the hosted environment or cloud-based environment of the LMS separately or both at its sole discretion and rate it according to the Technical criteria mentioned above.” – provided in the same clause for explanation.
50	Scope of work (Page 20) Please provide further clarity on certificate of deposit / investment and Non-Fund based services	<p>CD/I (Page 34, FUNCTIONAL REQUIREMENT, Item 4)</p> <p>NFBS (Page 38, FUNCTIONAL REQUIREMENT, Item 9, f)</p>
51	Scope of work Task 2 (Page 22) – In case of a hosted model, primary and DR datacenter sites will be provided by the NBF, or does the vendor needs to have a site of their own?	Vendor
52	Scope of work Task 2 (Page 22) Is it mandatory that DR should be a different site / different city? Or bidder can develop DR environment at the same site with separate HW and infra along with power?	What you have proposed will be more like an HA solution, different site (with some reasonable distance between the two sites) is expected to be part of the solution.
53	Scope of work Task 3 (Page 23) – How many NBF's are under discussion as part of the scope of work of this RFP?	Only one (1). However, it is expected to be integrated with at least 3 different financial institutions in the beginning.
54	Deliverables Task 1 (Page 26) – Does implementation of live operation of the NBF by November 2 <sup>nd</sup> , 2020 include everything mentioned in the scope of work or it includes core requirements around LMS excluding features like mobile banking, internet banking, etc.	<p>November 2<sup>nd</sup>, 2020 date includes the following modules:</p> <ul style="list-style-type: none"> <li>○ Short Term Finance &amp; Long Term Finance</li> <li>○ Running Finance</li> <li>○ Supply Chain Finance</li> <li>○ Certificate of Deposit/Investment</li> <li>○ Non-Fund Based Services</li> </ul> <p>While CD/I and NFBS are supposed to go live at a later date. Everything else in Scope, Deliverables, and Functional Requirements is what is expected to be part of the RFP related to first 3 modules going</p>

		live on the specific date. You may have the last 2 modules installed but not live on those dates.
55	Deliverables Task 3 (Page 27) – Does the scope of work also include the development of NBFI’s external website / corporate website?	Yes
56	Functional requirements (Page 29) – Does the November 2 <sup>nd</sup> , 2020 deadline include the launch of all product types specified?	See 54 please.
57	3A product-specific requirements – General Ledger (Page 33) – Please elaborate on the requirement of the general ledger. Generally, it is maintained by the core banking system, not a loan management system.	GL is required only limited to the borrowers.
58	Considering the fact that there are a lot of components involved including the hardware and infrastructure, the 2% performance guarantee would end up being a sizeable amount. We request for relaxation in this clause	This will be required at the time of contract award to the successful bidder.
59	Section 37.1 (page 14): Transfer of software IP clause, as a product-based company the IP of source code lies with software vendor and cannot be shared. Please confirm if this is acceptable.	Please propose an alternate to this concern. This will be finalized at the time of contract negotiation.
60	Section Scope of work (Page 23- Point#-J) Other than available APIs of system any new development / customization / change will be a paid activity. OR Karandaaz require from bidder to provide tentative cost of a single API development?	<p>Our main goal is that on the date when we go live, we should be integrated with other financial institutions that will be our depository partners. Number of these institutions is expected to be 3 initially. So, by that token, whatever is required to make the system work, transactions happen in their entirety to close the cycle of a specific loan or service is what’s required. If it takes middle-ware, or an API or any other form of a connector, should be included in the response.</p> <p>And yes, you should provide the tentative cost of single API development keeping in mind that it will be something that KRN may require in the future other than what’s required on go-live date of Nov 02, 2020.</p>

61	Section Scope of work (Page 23- Point#-I) integration of various system is very open and may create issues in future. Would be better if the maximum system can be list down or the number of integrations can be list down. This will help bidder in making financial proposal	See 59 please.
62	Section 37.1 (page 14): Database, patents, copyrights, or any other rights can be given as license to use only. Please confirm	Please propose an alternate to this concern. This will be finalized at the time of contract negotiation.
63	Section 40.2 (page 15): This clause is based on 40.1 a though e. The causes of quality or lack of delivery can be from Karandaaz or NBFI side also. A vendor cannot be solely asked to refund all payments and that too with a markup and additional losses value. A typical way is to go through a dispute resolution process and fee returned for undelivered services or unused software. Kindly consider revising this section.	This can be discussed with successful bidder at the time of contract award.
64	Section scope of work task -4 (Page24 – Point# - F) Should we assume that arrangement of PAVT vendor and cost for penetration testing will not be bidder's responsibility? or part of financial proposal? Please confirm. However, we will entertain PAVT vendor as per submitted technical proposal and details of infra + application. Any other requirement from PAVT vendor related to development / customization will be paid activity. Please confirm.	This is bidder's responsibility in its entirety. A detailed report and methodology used should be discussed with KRN before assigning the task to pen-tester.
	Task 2 (L) page 23: Our PA-DSS certification process will complete few weeks after the date of submission. Can PA-DSS certificate or gap analysis be furnished later? If yes, till when?	We can wait till agreement signing with the successful bidder.
65	Task 3 clauses v, w, x (page 24): Please clarify each as requirements are too high level or vague.	<p>v) Please see Q45 of this document for KYC, and Q41 for document management system</p> <p>w) In the RFP response, please include a list of functionalities in as much detail as possible</p> <p>x) That should have been taken out during edit process. Please ignore</p>

66	Would it cover individual lending or group lending? Is there any requirement of collateral or non-collateral lending?	<ul style="list-style-type: none"> <li>- We cover individual lending (Mainly)</li> <li>- Collateral lending is required</li> </ul>
67	Does a review report by an IT auditor (ISO Lead Auditor certified) suffice the purpose?	In context of which question? If it is in regards to ISO27001 requirement, then please note that we are looking for partners with highest internal checks and balances. Please respond with the best you can provide in satisfying our comfort level.
68	Does the internal gap assessment suffice the purpose?	KRN believes in highest standards for itself and entities that it is going to partner with. ISO 27001 or similar evaluations give a comfort level that our partner who is going to be holding on to a precious set of data is capable of doing do in terms of securing it. Internal Gap Assessment only provides the flaws in the system, but doesn't resolve them.
69	Does the deliverable refer to the FSDs with respect to KYC and Mobile / Internet banking Modules/components?	Yes, it does cover
70	Is there any requirement of an income-generating loan?	NBFI would be serving to SME's, however question is not very clear.
71	Can we still apply in the bidding process if we do not meet one of the mandatory eligibility criteria?	There are 2 criteria, if you meant Annexure C and D, then they are mandatory. Please refer to note under Criteria D for further explanation.

For sizing, please use response to Q 16. Following is an extra set of questions which is answered below:

<b>System Hardware Information</b>	
<b>Key Question</b>	<b>Answer</b>
Preferred Hardware (HP / IBM ) Preferred DB (Oracle / DB2 / MS SQL Server) Clustered database [Oracle RAC / IBM DB2 Cluster]	Please use HW/SW where your product runs and provides best responses, and is bug-free and trouble-free.

**End of Document**