Selection of Technology Service Provider for a Rural Credit Pilot

Contents

REQUEST FOR PROPOSAL (RFP) for Selection of TECHNICAL SERVICE PROVIDER for a Rural Credit pilot based on consented data, for India Post Payments Bank

Date: 21st Feb 2022

Sahamati, an Industry Alliance for the Account Aggregation Ecosystem

1. Invitation for Request for Proposal (RFP)

Sahamati invites proposals from eligible technical service providers for the scope set out in this document.

Date of issue of the RFP Date	21st Feb 2022
Last date to seek clarification	28th Feb 2022
Pre-Bid Clarification call	28th Feb 2022, 4pm at https://meet.google.com/jje-iqwy-djo
Date and Time for submitting the proposal	2nd March 2022, 12 noon
Mode of submission	Online at proposals@sahamati.org.in
Award of the mandate	7th March 2022
Primary point of contact	Shalini Gupta: 9953130865

2. Background to the project

The objective of the assignment is to enable India Post Payments Bank to provide assisted-mode financial credit to rural customers. Credit penetration for rural customers in India is still abysmally low. High cost of reach, lack of adequate data for risk underwriting and low ticket-sizes have made this segment unviable hitherto for financial service providers. However, the opportunity that this segment represents, at an aggregate level, is significant. The need for financial credit and assistance for this segment is perhaps more critical than several segments that are served better by financial service providers.

Banking correspondents and Payments Banks can together solve the problem of reach. The recently launched Account Aggregator ecosystem[1] involving RBI-licensed consent managers , the norms laid down by an RBI Working Group on the role of Lending Service Providers and market-driven standards for such service providers to digitally interact with lenders and borrowers (known as OCEN[2] - Open Credit Enabled Network) - together provide the technology rails and compliance guidelines for such

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[1] https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10598

[2] https://github.com/iSPIRT/OCEN

distribution partners to digitally fulfil low-ticket-size credit transactions - from loan origination to loan repayment.

This project aims to enable IPPB to deploy a Digital Credit Assistant application, that will be used by Grameen Dak Sevaks (GDS) to assist borrowers in getting loan offers by giving their consent to electronically, securely, share their bank account data in real-time through AAs and OCEN lending APIs of partner lenders. Customers can choose freely whether or not to accept such offers.

Within this context, Sahamati has been mandated by CGAP to plan and execute the end-to-end delivery of the Digital Credit Assistant pilot which includes:

1. Assist in building and finalising a credit program between the lenders and IPPB.

2. Onboard and work closely with the Technology Service Provider at all stages of the program including work plan, designing, development and roll-out of the digital credit assistant systems.

3. Close coordination between all stakeholders including IPPB, TSP and lenders

4. Quality Control through regular project monitoring and review

5. Successful roll-out of the pilot

3. Request for Proposal for Selection of Technology Service Provider (TSP)

In context of the project background detailed out in Section 2, Sahamati invites proposals from interested Technology Service Providers who have the capabilities to deliver on the requirements of this project.

The RFP is for selection of the TSP for the pilot roll-out, with the scope mentioned in Section 4. The project has an experimental development and capacity building orientation. ***The scope of the proposed program in the RFP is limited to the pilot.***

Post completion of the pilot roll-out, IPPB may decide to roll-out the program nationally, based on the outcome of the pilot and its strategic considerations. The scope, deliverables, commercials and selection of the TSP vendor for the further roll-out, as and when planned, will be driven as an independent exercise by IPPB.

4. Scope of work

The scope of work for the selected TSP includes the following:

1. Build a "Digital Credit Assistant" - a mobile-enabled application, integrated with Account Aggregators (using the AA tech standards) and Lenders (using the OCEN tech standard)

2. Technical integration and tests with at least two lenders that are part of the AA and OCEN networks, to ensure loan fulfilment journeys - from origination to repayment - are working as expected.

3. System deployment, training and education to trainers of IPPB who can further train field personnel for them to be effective assistants to rural borrowers.

4. Bug fixing and third-line technical support in the duration of the pilot.

4.1. Key Functionalities of the Digital Credit Assistant

With reference to the scope mentioned above, we envisage the Digital Credit Assistant App to have the following functionalities:

1. A standalone agent friendly Android app to onboard a customer and process the loan application

2. Loan Origination System integrated into the digital credit assistant application

3. API and SDK integrations compliant with Account Aggregator and OCEN lending specifications.

4. Vernacular language capabilities depending on the geographies chosen for the pilot

5. A secure, scalable and reliable design for both backend and frontend infrastructure

5. Deliverables

Live pilot of the digital credit assistant with two lenders.

IPPB will be responsible for lender selection and finalisation of the arrangement with the lenders, with support from Sahamati. IPPB will also be responsible for field implementation roll-out with support from Sahamati, and the TSP (related to the app and back-end).

6. Timelines

Expected date of award of mandate: 6th March 2022

Date of completion: Four months from the date of award of the program to selected TSP

7. Commercials

Budget not exceeding Rs 20 Lakh (including GST) for the pilot.

Given the development orientation of the program, we request participants to consider doing it at a minimum cost and with flexible payment terms.

8. Evaluation Framework

8.1. Selection Panel

The selection of the Technology Service Provider will be done by an independent panel of industry experts.

8.2. Selection criteria

The selection of the Technology Service Provider will be done solely on the basis of a detailed technical evaluation.

We propose to follow a three-level process of selection:

Level 1: Assessment of Organisational capabilities

Level 2: Assessment of technological, domain and delivery capabilities

Level 3: Demo and in-person discussion

8.2.1. Level 1: Organisational Capabilities

The checklist of mandatory criteria for the first level of shortlisting is in the table below. Please note that, bidders who fail to meet these requirements will not qualify for the Level 2 and Level 3 selection process.

We request all interested bidders to fill the following checklist and provide the supporting documents in response to the RFI.

8.2.1.1. Parameters to assess organisational capabilities

Parameter	Description
The Bidder should be a Government Approved Agency/ Company established in India and should have been in existence for at least 2 financial years as on 31.03.2021	Copy of i) Certified copy of MOA/AOA of the company. & iii) Duly authenticated Last 2 years Audited Balance sheet.
Bidder should have positive Net worth in each of the last two financial years as on 31.03.2021	Copy of the Audited Financial Statements /CA certified Certificate evidencing Net worth.
Bidder should submit ITR document in each of the last two financial years as on 31.03.2021	Copy of self-attested ITR document

Parameter	Description
The bidder should not have been blacklisted / barred / disqualified by any regulator / statutory body / Government organisation, or any other Public Sector company in the past 3 financial years. Bidder should not be under liquidation/ bankruptcy or any similar proceedings.	Self-Declaration (in Annexure I – Self- Declaration)
The bidder should have GST registration in mentioned activity.	Duly authenticated Copy of GSTN Registration Certificate bearing GST No.
The bidder must have ISO 27001 certification	Duly authenticated Copy of ISO 27001 Certificate

8.2.2. Level 2: Technological and Domain Strength Assessment

Bidders are requested to submit most relevant descriptions of past work, credentials and demo links, as available for each of the listed parameters. Each parameter carries a score, which will be added up to calculate the technological strength score for the bidders.

8.2.2.1. Parameters to assess domain and technological strengths

Selection Parameters
Ready AA Standards capability with at least one referenceable implementation
Ready OCEN specification capability with at least one reference implementation or demonstrable implementation
Demonstrable vernacular (Indian language) support in the front-end app
Demonstrable experience in building assisted mode UX
At least one referenceable Loan Origination System delivery with experience in both front end and back end including integrations with Loan Management Systems
Android Development Expertise for front end apps
Experience in building scalable back-ends including cloud native technologies
Past experience in working on open-source technologies
Ability to provide sustained support and maintenance for the duration of the pilot

Proven compliance with best practices in security (eq. OW ASP principles)
Ability to support a self-hosted model for POC
Ability to support own software developed for the pilot as well as underlying infrastructure (Database, hardware, operating system etc)
Strong experience in building simple and friction free user experience- persona definition, user research, mock up capabilities
Business Analysis- Requirements elicitation and analysis using sequence diagrams, flow charts and other UML diagrams as relevant
Program Management- Agile Delivery Management with a sprint-based plan
Training: Tool driven train the trainer capabilities (with digital training assets that can be remotely delivered)

8.2.3. Level 3: Demo and in-person discussion

Based on the evaluation process at Level 1 and Level 2, we will invite up to three shortlisted bidders for a discussion round and to clarify or close any open points based on the evaluation. The selection panel will make the final decision based on a comprehensive assessment of the proposals on technical, delivery and domain capabilities of the shortlisted bidders.

Annexure 1-Self Declaration

(To be submitted on Bidder's letterhead)

Date:

To whomsoever it may concern

Dear Sir,

I on behalf of _____ (bidder's name) declare the following:

1) There is no case with the Police / Court / Regulatory authorities against the proprietor / firm / partner/company/Directors /employee.

2) We have not been suspended / delisted / blacklisted by any other Govt. Ministry / Department / Public Sector Undertaking / Autonomous Body / Court etc. during the past 3 years.

3) We are not under bankruptcy/ liquidation or any other similar proceedings.

4) We certify that neither our firm nor any of the partners is involved in any scam or disciplinary proceedings settled or pending adjudication.

5) We hereby undertake and confirm that we have understood the scope of work properly and shall comply with the terms of engagement.

Date:

Authorized signatory and bidder's stamp

Name of the Authorised Signatory:

Phone No:

E-mail:

Addendum: Revised Timelines and Communication sent to potential bidders

Email Dated 1st March 2022

Hi All

This is with reference to the RFP for "Building a Digital Credit Assistant" for a Rural Credit pilot. As a part of the organisational capabilities assessment section, we had requested for a few financial information related documents to be able to evaluate the financial strength of the bidders.

However, based on feedback received from the TSPs, we have decided to simplify the process. You are now no longer required to submit the following documents with the proposal:

1. Duly authenticated Last 2 years Audited Balance sheet
2. Copy of the Audited Financial Statements
3. CA certified Certificate evidencing Net worth.
4. Copy of self-attested ITR document

In your response/proposal, just confirm that you meet the criteria. We may, however, ask for a signed and attested declaration from the selected bidder at the time of awarding the mandate.

Hope this clarifies and makes the process simpler. Look forward to receiving your responses soon. The deadline for proposal submission is 3rd March 2022, before 6 pm.

Email Dated 2nd March 2022

Dear All

This is with reference to the RFP dated 21st Feb 2022 for "Building Digital Credit Assistant App" for a Rural Credit Pilot for India Post Payments Bank.

On popular demand, the deadline for proposal submission has been further extended from 3rd March, 6 pm to 7th March, 12 noon.

Hope this gives everyone sufficient time. Please do not ask for any further extensions.