



कर्मचारी भविष्य निधि संगठन
EMPLOYEES' PROVIDENT FUND ORGANISATION
धर्म एवं रोजगार मंत्रालय, भारत सरकार
MINISTRY OF LABOUR & EMPLOYMENT, GOVERNMENT OF INDIA
मुख्य कार्यालय/Head Office
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Website: www.epfindia.gov.in, www.epfindia.nic.in

File No. IMC-11018/1/2022-IMC / 4269

Date: 23.01.2024

To,

All the bidders,

Subject: Addendum to RFP document issued on 26.12.2023 and Clarification on queries received on appointment of Consultant

Sir,

As per schedule, a Pre-Bid Conference was held on 16.01.2024, wherein following two entities participated:

- i. M/s Ernst & Young (E&Y)
- ii. M/s CRISIL Limited

2. The last day for receiving queries through email was 08.01.2024. Only the bidders namely, M/s Ernst & Young (E&Y) and M/s CRISIL Limited submitted their queries. Both the bidders raised certain queries on the RFP documents, which have been deliberated by the Selection Committee. Reply of all the queries raised is attached as Annexure 'A'.

3. On the basis of the observations on RFP issued on 26.12.2023, Addendum dated 23.01.2024 to RFP document has been issued and a copy of same is attached.

4. It is requested that all Respondents may also consider this Addendum while preparing and submitting their Proposal.

Encl: As above

Yours faithfully,

Vipin Kumar Sharma

Additional Central PF Commissioner (Investment)

i. M/s E&Y LLP:

Sr. No.	Reference (Clause No. /Page No.)	Content of RFP requiring clarification	Points of Clarification required	Clarification on RFP by EPFO	If amendment/ changes required in RFP	Amendment in RFP
1	4.3.7 / Page 13	Assist EPFO in reviewing existing processes followed in it's Investment Division and prepare draft SOPs	Please provide more clarity on the type and count of processes that need to be reviewed.	It includes review of processes by Investment division of EPFO such as methodology followed for ETF investment or redemption; LMF investments; Exposure limits related to debt investments and other such processes that may arise in future.	No	
2	4.3.4 / Page 13	Provide monthly inputs, outlook & advisory on macroeconomic developments and it's impact on investments made by EPFO	Does this require projections of macro variables such as interest rates, inflation etc. which would require development of a macro-econometric model at our end	The inputs are required based on the current and expected developments that may impact EPFO's investments. However, it is understood that it would not require macro-econometric modelling by consultant.	No	

Annexure-A

3	8.2.8 / Page 31	The Bidder should have never been disqualified by SEBI or any other Regulatory Authority notified by Government of India	We request EPFO to please amend this criteria to the below: "The Bidder has not been disqualified by SEBI or any other Regulatory Authority notified by Government of India as on the date of the submission of response to the RFP"	This is not a query on RFP.	Yes	<p>Clause 7.1 Pre-Qualification Criteria (Criteria no. 7) may be read as “The Bidder should not have been disqualified by SEBI or any other Regulatory Authority notified by Government of India in 5 years immediately preceding this RFP.”</p> <p>Clause 8.2.8 may be read as “The Bidder should not have been disqualified by SEBI or any other Regulatory Authority notified by Government of India in 5 years immediately preceding this RFP. - Enclose a declaration to that effect in the format of undertaking as given in Para 9.2”</p> <p>Necessary modification may also be made by bidder in format of undertaking at Para 9.2 (point l)</p>
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ii. M/s CRISIL Ltd.:

Sr. No.	Reference (Clause No. /Page No.)	Content of RFP requiring clarification	Points of Clarification required	Response of EPFO	If amendment/ changes required in RFP	Amendment in RFP
1	4.1.1. / Page No. 12 of 51 5.1 / Page no. 15 of 51	4.1.1. Prepare Expression of Interest (EOI) / Request for Proposal (RFP) for potential bidders in India for the selection of Portfolio Managers / Asset Management Companies. 5.1. Tenure of appointment: Period of engagement of consultant will be 3 years. Tenure will be extendable further on mutually agreed terms subject to approval from competent authority.	1. Please clarify if the selected Consultant will be required to carry out selection of both Portfolio Managers and Asset Management Companies during the period of its appointment. 2. The tenure of appointment of Consultant is 3 years, while selection of Portfolio Manager is for 5 years as per the recently floated RFP by EPFO and appointment of AMCs are for 3 years. The next selection of Portfolio Manager will be outside the tenure of appointment the Consultant. Kindly clarify.	1. Yes. Selected consultant will be required to assist EPFO in selection of both Portfolio Managers and Asset Management Companies, as per requirement of EPFO. 2. While EPFO has intended to select portfolio managers for a tenure of 5 years, both the number of portfolio managers and tenure may be changed by EPFO in future. Clause 5.7 of RFP by EPFO for portfolio managers may be referred in this regard.	No	

		EPFO may terminate the contract with the Consultant in case its services are not found satisfactory.				
2	4.1.3 / Page no. 12 of 51	4.1.3. Evaluate Pre-qualification bids, Technical bids and Financial bids received; after complete due diligence, shortlist and recommend Portfolio Managers for final selection; and assist in preparation of agreement to be signed by the EPFO with the selected Portfolio Managers.	The Agreement is a legal document and therefore the drafting of agreement needs to be carried out by legal professional. Please clarify if the Bidder can avail external legal services for drafting of the Agreement.	Any draft agreement with portfolio managers / AMCs shall be vetted by legal team of EPFO before finalization. However, to assist EPFO in drafting of agreement, if bidder requires any other legal input, cost of such services should be included in fee quoted by the bidder.	No	

3	4.3.8 / Page no. 13 of 51	<p>4.3.8. The Consultant will conduct training bi-annually for minimum five days. The consultant shall design the training program in consultation with Investment Division of EPFO and engage the trainers having relevant experience and expertise of imparting training in the appropriate subject matter. Format and venue of training shall be as mutually agreed upon. The fees of trainers shall be borne by the consultant.</p>	<p>1. Please confirm if the training will be conducted virtually or in person.</p> <p>2. Please confirm whether the cost associated with venue, travel, lodging & boarding expenses of the trainer, EPFO Officials and Officials/team members of the Bidder will be borne by EPFO at actual, if applicable.</p>	<p>1. As indicated in Clause 4.3.8, No format and venue of training shall be mutually agreed upon. In this regard any mode whether in-person or virtual may not be ruled out at present stage.</p> <p>2. a. If a third-party venue is required for training, cost shall be borne by EPFO.</p> <p>b. EPFO will also bear travel, lodging and boarding expenses of its officers / officials as per applicable rules.</p> <p>c. Travelling, boarding & lodging expenses of team of bidder, including it's trainers shall be reimbursed as given in Note at Clause 8.4 of RFP.</p> <p>d. Any other fees paid to trainer shall be borne by the bidder as per clause 4.3.8 of RFP.</p>	No	
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Annexure-A

4	8.9/page no. 41 of 51	<p>EPFO intends to engage two separate consultants for assisting it's Investment Division. Any applicant may bid for both the assignments, but will be selected for only one of the assignments and if selected, shall be automatically disqualified for the second assignment.</p> <p>In case a bidder is shortlisted for both the assignments please elaborate on the methodology/approach that will be followed for qualification or disqualification of the Bidder for the two RFP process.</p>	<p>EPFO shall finalize selection of both consultants independently, which will be completed at different times.</p> <p>A bidder which has been successfully selected for either of the position, shall be automatically disqualified for (ongoing / upcoming) selection process for the other consultant.</p>	No	
5	9.2 / Page no. 46 of 51	<p>9.2. Format for undertaking UNDERTAKING (To be given on company letter head by MD/CEO)</p>	<p>All the undertakings are signed by the authorized person having adequate Power of Attorney (PoA) from the board or MD/CEO of our company. Kindly confirm if this Undertaking can be signed by such person, we will also submit the copy of PoA for your records.</p> <p>As per original RFP, the undertaking is required for MD / CEO. However, necessary corrections are being made as per decision of Selection Committee up on consideration of request of M/s CRISIL.</p>	Yes	<p>9.2 Format for undertaking UNDERTAKING (To be given on company letter head by MD/CEO or any such authorized person having adequate Power of Attorney (PoA) from the Board or MD/CEO of the company)</p>

Annexure-A

6	9.2 (j) / Page No. 48 of 51	<p>j. The Bidder has ____ years of in-house experience in designing and creation of benchmark indices for review of performance of investments in Govt. Securities and Corporate Bonds and/or Equities. The credit rating agency has created ____ indices and ____ Asset Management Companies are using benchmarks created by bidder.</p>	<p>The second prequalification criteria has 'OR' condition in clause no. 7.1 on page no. 26 of 51 of the RFP, we request the following clause 9.2 in page no. 48 of 51 to be modified as follows to make it consistent with the pre-qualification criteria:</p> <p>Original clause: 'The credit rating agency has created ____ indices and ____ Asset Management Companies are using benchmarks created by bidder',</p> <p>Modified clause: The Bidder has created ____ indices and ____ Asset Management Companies are using benchmarks created by bidder'.</p>	<p>This is not a query on RFP. However, necessary correction for the error is being provided.</p>	<p>Yes</p>	<p>The Para 9.2 (point j) may be modified as below :-</p> <p>The Bidder has ____ years of in-house experience in designing and creation of benchmark indices for review of performance of investments in Govt. Securities and Corporate Bonds and/or Equities. The bidder has created ____ indices and ____ Asset Management Companies are using benchmarks created by bidder.</p>
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Addendum- 1

Request for Proposal for appointment of Consultant for "Selection & Performance review of Portfolio Managers, and Strengthening of Investment Division of EPFO"

Page 1 of 2

RFP Addendum-1

Date of Addendum: 23.01.2024

NOTICE TO ALL POTENTIAL RESPONDENTS

The Request for Proposals (RFP) is modified as set forth in this Addendum. The original RFP Documents issued on 26.12.2023 remain in full force and effect, except as modified by this Addendum, which is hereby made part of the RFP. Respondent shall also consider this Addendum when preparing and submitting its Proposal.

PROPOSAL SUBMITTAL DEADLINE

The Proposal submission deadline remains the same i.e. 07.02.2024 (Wednesday) as notified vide RFP dated 26.12.2023 and is not changed by this Addendum.

Clause/ Section	Original Clause / Section	Modified Clause/Addition
7.1 (Criteria 7)	"The Bidder should have never been disqualified by SEBI or any other Regulatory Authority notified by Government of India."	"The Bidder should not have been disqualified by SEBI or any other Regulatory Authority notified by Government of India in 5 years immediately preceding this RFP"
8.2.8	"The Bidder should have never been disqualified by SEBI or any other Regulatory Authority notified by Government of India. - Enclose a declaration to that effect in the format of undertaking as given in Para 9.2"	"The Bidder should not have been disqualified by SEBI or any other Regulatory Authority notified by Government of India in 5 years immediately preceding this RFP. - Enclose a declaration to that effect in the format of undertaking as given in Para 9.2"
9.2	Format for undertaking UNDERTAKING (To be given on company letter head by MD/CEO)	Format for undertaking UNDERTAKING (To be given on company letter head by MD/CEO or Any such authorized person having adequate Power of Attorney (PoA) from the Board or MD/CEO of the company)
9.2 (j)	"The credit rang agency has created _____ indices and _____ Asset Management	"The bidder has created _____ indices and _____ Asset Management Companies are using benchmarks created by bidder."

Addendum- 1

**Request for Proposal for appointment of Consultant for
“Selection & Performance review of Portfolio Managers, and Strengthening of
Investment Division of EPFO”**

Page 2 of 2

	Companies are using benchmarks created by bidder”	
9.2 (l)	“The Bidder has never been disqualified by SEBI or any other Regulatory Authority notified by Government of India.”	“The Bidder has not been disqualified by SEBI or any other Regulatory Authority notified by Government of India in 5 years immediately preceding this RFP”

END OF ADDENDUM.



(Vipin Kumar Sharma)

Addl. Central P.F. Commissioner (Investment)