

Bahrain Development Bank B.S.C (c)

Tender Title	Establishment of a National SMEs Growth Fund (“Fund”)
Tender Number	RFP/BDB/2024/06
Month/Year	September 2024
Publishing Date	19 September 2024

1. Introduction

Bahrain Development Bank B.S.C (c) is a company existing under the laws of the Kingdom of Bahrain and licensed by the Central Bank of Bahrain as a conventional retail bank licensee (the “**Bank**”). In line with its operations, the Bank is looking for the Services (as defined below).

To this end, the Bank is requesting proposals from suitable qualified service providers to provide the Services by no later than the Closing Date (as defined below).

Upon award, the successful proposal shall be formulated into a final contract based on the terms and conditions of this RFP Document and particulars of the successful proposal.

1.1. Document Structure

This document and all its attachments and appendices shall be read and considered as one and a whole document, and any attachments and appendices shall be considered an integral part of this document.

1.2. Definitions

- 1.2.1. “**Bidder(s)**” means the company(ies) that are providing proposals to carry out the Services.
- 1.2.2. “**Closing Date**” 6th October 2024
- 1.2.3. “**Contract**” means the final awarded contract.
- 1.2.4. “**Contractor**” means the Bidder awarded for carrying out the Services.
- 1.2.5. “**RFP Document**” means this document and all its attachments and appendices.
- 1.2.6. “**Background**” the Bank would like to establish a financing facilities / loan SME growth fund as per Central Bank of Bahrain’s regulation, which will take the form of a Bahraini closed shareholding company (the “**Fund**”). Fund operations are targeted to begin by 31 December 2024. The Fund mainly intends to grant facilities to SMEs across key sectors. Target individual loan sizes are up to BD 100,000 however may be changed by Fund’s different boards and committees at the Fund commencement of business operations or anytime during the Fund’s term. The anticipated average loan tenor expected is 3 to 5 years and most likely to be offered on monthly installment repayments terms. Total target fund equity size is BD 100m with quarterly distributions expected to LPs if Fund Managers believes it can sufficiently distribute based on the Fund’s Cashflow status or if no other deployment opportunities are available as per the Fund’s mandate. The Bank will act as the Fund manager and the operator of the Fund. The Fund’s overall Term intended is 10 years, inclusive of a Commitment period from LPs of 5 years. The overall term may be extendable for an additional 2 years to arrive at a total Term of 12 Years.
- 1.2.7. “**Services**” each on its own a “**Service**” means the provision of **1) Fund Administration Services, 2) Custody Services, 3) Registrar Services, 4) Corporate Secretary Services, 5) Financial Model Validation, 6) Review of PPM from a business standpoint** for the establishment of the Fund in alignment and consideration to the Background.
- 1.2.8. “**Scope of Work**” means the specific requirements, tasks, deliverables, timelines, and responsibilities associated with the provision of the Services by the Bidder as outlined in Section 2.
- 1.2.9. “**Proposal(s)**” means the submission of the Bidder, which shall include the Scope of Work, fee schedule and all other requirements detailed in this RFP Document.

1.3. Point of Contact of the Bank and Address of the Bank

The point of contact for all clarifications relating to this RFP Document shall be:

Name: Ahmed Abdulghaffar

Designation: Fund Manager

Department: Asset management Department

Email: aabdulghaffar@bdb-bh.com

Tel: +973 17511195, ext:1195

and CC Procurements@bdb-bh.com & abucheeri@bdb-bh.com

Any notice required or permitted to be given under this RFP Document shall be in writing and shall be deemed to have been duly given if sent by email to the email address outlined above or to the Bank's registered address as follows:

Bahrain Development Bank B.S.C (c),

Building 170

Road 1703

Block 317

Diplomatic Area, Kingdom of Bahrain

1.4. Submission of Proposals

The Bidders shall submit the Proposal no later than 1:30 pm on the Closing Date. Proposals submitted later than the prescribed Closing Date and time may be rejected by the Bank at its sole discretion.

Bidders shall submit their Proposals for this tender electronically, via email to the email address outlined in Section 1.3 of this RFP Document. Any queries shall be submitted to the same email address.

1.5. Non-Disclosure

This RFP Document and all its appendices and attachments shall remain the property of the Bank and is transmitted to the Bidder solely for the purpose of preparing and submitting a Proposal in accordance therewith. Bidders shall maintain confidentiality of this RFP Document and shall not release the same, or any part thereof, to any third party for any purpose other than for obtaining quotations directly relating to their Proposal.

1.6. Notice of Receipt of the RFP Document

Bidders shall acknowledge receipt of this RFP Document within three (3) business days upon its receipt. Notification of receipt shall be by e-mail to the email address outlined in Section 1.3 or by letter delivered by registered mail to the Bank's registered address outlined in Section 1.3.

1.7. Examination of the RFP Document

The Bidder shall be solely responsible for examining, with appropriate care, the RFP Document, including any addenda issued during the bidding period. The Bidder shall familiarize itself with respect to any and all detailed requirements and/or conditions, which may in any way affect the Proposal, or the provision of the required Services.

Failure on behalf of the Bidder to carefully examine and study the RFP Document shall be at the Bidder's sole risk and no relief for resulting errors or omissions will be entertained.

1.8. Interpretation of the RFP Document

The Bidder may reasonably request the Bank in writing, during the bidding period, for clarification and/or interpretation of any aspect of the RFP Document. All queries or clarifications are to be submitted to the email address outlined in Section 1.3.

Any interpretation or clarification by the Bank will be made in writing to each and every Bidder. Where such interpretation and/or clarification requires a change in the RFP Document, the Bank, may, at its sole discretion, prepare and issue to all Bidders an addendum to the RFP Document.

The Bank shall not be bound by, nor shall the Bidder rely on, any verbal interpretation and/or clarification of the RFP Document that may be given by any person whomsoever.

1.9. Preparation and Content of Proposals

The Bidder shall initial and stamp all pages of their Proposal, including any attachments provided by the Bank and filled in by the Bidder or submitted by the Bidder in support of their Proposal, in order to signify the Bidder's acceptance of the terms, conditions and provisions contained therein. In addition, all Bidders shall formally stamp and initial any corrections or alterations made on the Proposal. All Proposals shall be prepared by, and at the expense of the Bidder.

All Proposals and other submissions must be in English unless otherwise provided in this RFP Document.

The Proposal shall include the following:

1. The Scope of Work in line with the requirements stipulated in this RFP Document.
2. The lump sum price which shall be inclusive of the full Scope of Work, which shall account for mobilization, demobilization, remobilization, provision of plant, equipment, tools, labor, supervision, transportation, travel expenses, housing of contractor's personnel, materials, storage of items, removal of waste, construction and installation costs, insurances, maintenance, overheads and profits, taxes, surcharges, levies, safety supplies, hoardings, signage, PPE, special site conditions, and any and all other criteria which may affect the reasonable provision of the Scope of Work, whether specifically mentioned in this RFP Document, or not mentioned. The lump sum price shall encompass all expenses associated with executing the Scope of Work and ensuring the protection of all deliverables (if any) from any damage up to the final handover to the Bank.
3. The fee schedule.
4. A Company Classification Certificate issued to SMEs by the Ministry of Industry and Commerce (MOIC) to small and medium size companies.
5. Valid Commercial Registration Certificate.
6. Bahrainization Certificate (in the case of local Bidders).
7. VAT Certificate.
8. Declaration of any conflicts of interest.

1.10. Amendment of Requirements

The Bank reserves the right, at its sole discretion, during any stage of the submission period to add to, vary, change or modify the requirements, on its own initiative or at the request of one or more Bidder(s). In such event the Bank shall notify the Bidders of such a change via an addendum and of any time adjustment which may be granted for the submission of Proposals. Such an addendum and time adjustment may be notified to the Bidders at any time prior to the Closing Date.

1.11. Withdrawal of Proposals

Bidders may withdraw or modify a Proposal at any time prior to the Closing Date, provided the Bank has received written and signed documentation of withdrawal or modification before such date and time. Written notification shall be by registered mail to the Bank's registered address or via email to the email address stipulated in Clause 1.3.

1.12. Validity of Proposals

Proposals shall remain valid and binding upon the Bidders for a period of one hundred and twenty (120) calendar days, with a provision for extension upon mutual agreement, commencing from the Closing Date (“**Validity Period**”). A Proposal may be accepted at any time before the expiration of the Validity Period.

1.13. Ownership of Proposals

Upon submission, the Proposal shall become the sole and absolute property of the Bank and no documentation shall be returned to the Bidder.

1.14. Compliance with Applicable Laws

Bidders shall comply with all local and international laws, ordinances, regulations, and codes that are applicable to the execution of the Services specified in this RFP Document, including but not limited to labor laws, health and safety regulations, Bahrain Personal Data Protection Laws (BPDPL) and environmental standards.

It is the Bidder's responsibility to ensure that their Proposal and, if awarded, their performance under the Contract will comply with legal and regulatory requirements. Evidence of such compliance may be requested by the Bank at any stage of the procurement process or Contract execution.

1.15. Disclosure of Conflicts of Interest

Bidders must disclose, as part of their Proposal, any potential conflicts of interest that might affect their ability to perform the Contract with impartiality and the best interest of the Bank. This includes any financial or personal interest in the outcome of the procurement process.

Failure to disclose a conflict of interest may result in disqualification from the bidding process or termination of the Contract, should such a conflict be discovered after Contract award.

1.16. Evaluation of Proposals

The Proposal shall be evaluated based on the technical and commercial criteria contained below in this RFP Document. The Bidder may be required to attend meetings at the Bank’s offices or at site, during the period of evaluation, to clarify and/or detail any part of their Proposal in order to satisfy the Bank that the Bidder has carefully considered all matters affecting the execution of the Services.

1.17. Rejection and Acceptance of Proposals

The Bank reserves the sole and absolute right to reject any and all Proposals submitted in response to this RFP Document for any reason, including but not limited to non-compliance with submission requirements, failure to meet eligibility criteria, or if it is in the best interest of the Bank not to proceed with a particular Proposal. Bidders acknowledge that no claim is admissible for any expense or cost incurred in preparation of the Proposal(s), or for any other reason.

The Bank reserves the right to accept any Proposal in whole or in part and to negotiate with any Bidder to serve the best interests of the Bank. This may include negotiating terms, conditions, scope of work, or any other aspect of the Proposal.

1.18. Award

The Bank will issue a letter of award and purchase order to the Contractor. Subsequently, the Bank and the Contractor will enter into a contract governing their relationship and the Services that will be performed by the Contractor.

1.19. Terms and Conditions

These general terms and conditions shall govern the provision of Services outlined in this RFP Document:

- 1- The Bank reserves the right to withhold payment in the event of unsatisfactory performance or failure to meet deadlines.
- 2- Payment by the Bank shall be made within thirty (30) days of the Bank's receipt of an undisputed invoice from the Contractor or as otherwise agreed upon in writing by the Bank and the Contractor.
- 3- Any intellectual property developed or created as a result of the Services shall belong solely to the Bank.
- 4- The Contractor recognizes and acknowledges that during the course of performing the Services, it may have access to and become acquainted with confidential information of the Bank, including but not limited to proprietary technology, business strategies, financial information, customer data, and any other information deemed confidential by the Bank (hereinafter collectively referred to as "**Confidential Information**").
- 5- The Contractor agrees to maintain the confidentiality of all Confidential Information received from the Bank, both during the term of the contract and for five (5) years after its termination or expiry.
- 6- The Contractor shall not use any Confidential Information for any purpose other than the performance of the Services under the Contract, nor shall it disclose or permit access to any Confidential Information to any third party without the prior written consent of the Bank, except as required by law or a court order, provided that the Contractor promptly notifies the Bank in writing of such requirement to disclose and cooperates with the Bank in seeking appropriate protective measures.
- 7- The Contractor shall take all reasonable precautions to safeguard the Confidential Information and prevent its unauthorized use or disclosure, including implementing physical, technical, and administrative security measures.
- 8- The obligations of confidentiality set forth in this Clause shall survive the termination of the Contract.
- 9- The Bank may terminate the Contract entered into for the provision of the Services upon serving the Contractor with a thirty (30) day written notice.
- 10- The Bank reserves the right to terminate the Contract with immediate effect by providing written notice to the Contractor in any of the following circumstances:
 - a) If the Contractor commits a material breach of any provision of the contract and fails to remedy such breach within five (5) days of receiving written notice from the Bank specifying the nature of the breach;
 - b) If the Contractor becomes insolvent, bankrupt, or enters into liquidation or receivership proceedings, or if a petition for bankruptcy or winding-up is filed against the Contractor;
 - c) If the Contractor undergoes a change in control or ownership that, in the reasonable judgment of the Bank, adversely affects the Contractor's ability to fulfill its obligations under the contract;
 - d) If the Contractor engages in conduct that brings disrepute to the Bank or otherwise damages the Bank's reputation, as determined by the Bank in its sole discretion.
- 11- Upon termination of the Contract, the Contractor shall promptly return to the Bank any Confidential Information or other property of the Bank in its possession or control, and shall cease all use of the Bank's name, trademarks, logos, and other intellectual property.
- 12- Upon termination for convenience, the Contractor shall be compensated for all work performed up to the termination date. Upon termination for cause, the Contractor shall not be entitled to further payment until the Services are satisfactorily completed, and any additional costs incurred by the Bank may be deducted from any due payment to the Contractor.
- 13- The Contractor agrees to indemnify, defend, and hold harmless the Bank, its affiliates, officers, directors, employees, agents, successors, and assigns from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or in connection with the Services provided under the contract, except to the extent such claims arise from the gross negligence or willful misconduct of the Bank.
- 14- The Contractor may not assign or transfer its rights or obligations under the contract without seeking the prior written consent of the Bank.
- 15- The Contractor agrees to perform the Services in accordance with prevailing industry standards and best practices.
- 16- The deadlines for the provision of Services are of the essence of the contract.
- 17- The Contractor shall bear any additional costs or expenses incurred by the Bank as a result of delays in the provision of Services, unless such delays are attributable to acts or omissions of the Bank.
- 18- Any matter, claim or dispute arising out of or in connection with Services, whether contractual or non-contractual,

is to be governed by and determined in accordance with the laws of the Kingdom of Bahrain.

- 19- In carrying out the Services the Contractor will comply with all applicable laws and prevailing regulations and judicial requirements in the Kingdom of Bahrain. The Bank will not be liable to the Contractor to the extent that any such legislation, decision, direction, order or determination prohibits or restricts its performance under or compliance with its obligations.
- 20- In alignment with the regulations of the Central Bank of Bahrain, the Contractor irrevocably and unconditionally agrees to and acknowledges the following:
 - a) Each Party’s obligations under the Contract are conditional upon and subject to the respective compliance with all applicable laws and prevailing regulations and judicial requirements in the jurisdiction over either party to or the subject matter of the Contract. Neither Party will be liable to any other Party to the extent that any such legislation, decision, direction, order, or determination prohibits or restricts its performance under or compliance with the Contract.
 - b) On the expiry or termination of the Contract for whatsoever reason, or if the Contractor ceases to deliver the Services, the Contractor agrees to cooperate and promptly take all steps required to assist in effecting a complete transition of the Services to the new service provider at no additional cost to the Bank while maintaining the required service levels.
 - c) The Contractor agrees that during the term of the Contract, it will ensure, the uninterrupted provision of all Services and obligations defined in the Contract, regardless of any crisis situation, recovery, or resolution event (collectively "Adverse Events") that may affect the Bank. Furthermore, the Contractor shall not have the right to terminate, suspend, amend or otherwise modify its obligations under the Contract due to any Adverse Events that may affect the Bank. This section shall prevail over any other clause that may be construed to the contrary in the Contract or in any other agreement between the Parties.
 - d) This section is intended to ensure compliance with the applicable regulations of the Central Bank of Bahrain and shall be interpreted accordingly.

2. Scope of Work

The proposed Services should cover the following points:

<p>Fund Administration Services</p>	<ol style="list-style-type: none"> 1. Accounting and record keeping complying with accounting standards which are AAOIFI or IFRS as the Bank’s discretion. 2. Calculation of fees, distributions, equity drawdowns as required 3. Portfolio valuation and pricing 4. Net Asset Value (NAV) calculation and circulation to different stakeholders based on quarterly basis 5. Preparation and submission of regulatory reports 6. Regulatory compliance monitoring 7. Financial statement preparation 8. Support the appointment and liaise with external auditors and finalizing financial statements 9. Handling of Bank / investor inquiries 10. Periodical Reconciliation 11. Reporting & portal access 12. Providing investor statements and positions to investors and unitholders 13. Prepare Quarterly CBB required Reports for the Funds / Prepare CBB application forms, registration statements, covering letter and similar ancillary documents 14. Maintain records of the meetings 15. Providing a Third-Party Certification as required by CBB on authenticity of the documentation and on compliance with CBB Rule book and regulations addressed to CBB & the Fund Operator's Board of Directors as applicable 16. Ensuring that transactions comply with any regulatory requirements of the CBB and the Ministry of Industry and Commerce (“MOIC”); and with Bahrain Data Protection law
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	<ol style="list-style-type: none"> 17. Assist with responses to regulatory queries and attendance at any required meetings with the CBB 18. Providing advice and assistance in relation to the notification process with the CBB to establish the Fund company along with procuring its approval for the establishment; and 19. Liaising with the MOIC, the CBB, and the other relevant authorities throughout the application process until its successful completion and post fund establishments and operations. 20. Availability of a dedicated Fund Portal / Platform for fund administration
<p>Custody Services</p>	<ol style="list-style-type: none"> 1. Opening, maintaining and controlling bank / cash accounts & transfers 2. Opening, maintaining and controlling trading / securities accounts 3. Monitoring and processing corporate actions (including drawdown and distributions along with corresponding notices) 4. Income / Funds collection and distribution 5. Make all payments and settlements on behalf of and for the interest of the Fund in line with the Fund's PPM 6. Monitor rejected payments and take corrective actions. Coordinate with the bank on a day to-day basis for transactional matters. 7. Ensure compliance with AML and CFT requirements. 8. Clearing and Settlement 9. Safeguarding assets and all fund documents 10. Ensure segregation of assets accordingly to regulatory requirements 11. Providing data protection and cybersecurity measures to safeguard unitholder information 1. Portfolio valuation and pricing 2. Maintain records and legal documents for all transactions 3. Periodical Reconciliation 4. Clearing and Settlement

Registrar Services	<ol style="list-style-type: none"> 1. Maintaining unitholders / investors register and periodical communication to Fund Manager 2. Processing investment applications, subscriptions and redemptions 3. Issuing and dispatching transaction confirmations (redemptions/subscriptions/transfers) 4. Safekeeping application forms and KYC documents 5. Maintaining and updating records of distributions and capital payments 6. Performing KYC periodic reviews in line with regulations 7. Reporting & portal access 8. Reporting on all accounts deemed to be FATCA/CRS reportable accounts to the relevant local tax authority within the specified reporting deadlines. 9. Availability of a dedicated Fund Portal / Platform for fund Registrar
Corporate Secretary Services	<ol style="list-style-type: none"> 1. Maintain the registered office of the fund company at the offices 2. Attend all routine matters concerning the affairs of the fund company within the Kingdom of Bahrain including the making and keeping of all returns and records required to be made and kept under the Memorandum and Articles of Association and the laws and regulations for the time being in force in the Kingdom of Bahrain. 3. Organizing minimum 4 board meetings each year as per the Bahrain Commercial Company law requirements and preparing the minutes accordingly. 4. Maintaining records of meetings of the Board of Directors. 5. Organize and coordinate the holding of the annual shareholders meeting. 6. Keep the Fund Company's commercial registration and all other records in good order to ensure the fund company stays in "good standing". 7. Filing the annual financials of the fund and fund company with the MOIC and CBB. 8. Submit the Bahrain Companies Law requirements to MOIC and CBB as authorized by the Bank physically or through the different government portals available including Sijilat as applicable. 9. Maintain statutory records and registers in compliance with the Bahrain Commercial Companies Law, including the register of members, directors, and secretaries.
Financial Model Validation	<ol style="list-style-type: none"> 1. Review the validity and assumptions of the financial model prepared by the fund manager at fund inception. 2. Review should include stress-testing and scenario analysis to ensure robustness under different market conditions.
Review of PPM from a business standpoint	<ol style="list-style-type: none"> 1. Review of PPM and subscription agreements for commercial terms, market norms and regulatory compliance.

3. Evaluation Criteria

The below criteria shall be utilized to select the Bidder who satisfies and fulfills the required conditions mentioned in this RFP Document, which are listed in a non-sequential manner:

a) First Pre-qualification Criteria

Any Bidder submitting their Bid for any of the following Services outlined below must be licensed by the Central Bank of Bahrain if needed to perform each of the Services or any other regulatory applicable authority or regulatory body corresponding to those other Services not required to be licensed by the Central Bank of Bahrain.

b) Second Pre-qualification Criteria

Any Bidder submitting their Bid must meet a minimum of 45% out of the total 60% Technical Evaluation.

c) Financial and Technical Evaluation

Criteria	Value	Feedback
Financial Evaluation It is expected from the Bidder to provide comprehensive costing and payment terms with breakdowns for each individual Service outlined within this document stating whether each cost fee is a fixed, variable and one-off or a recurring cost. The quote should include the fees for the full Fund term outlined or intended in the Background section of this RFP	40.00%	State Amounts
Technical Evaluation	60.00%	
1. Portfolio Size and Track record AUM of Active Portfolio Funds that have been administrated by the Bidder in the Kingdom of Bahrain as at 31 December 2023. The Bank will verify the Sizes with the institutions. 10% Highest Bidder = 10% Remaining Bidders = Benchmarked against the highest Bidder based on amount	10%	Amount to be stated in BHD or BHD equivalent.
2. Total available experience, qualifications and resources directly allocated by the Bidder to perform the subject Fund Services.	15%	As noted
3. Number of CBB Registered Funds in Kingdom of Bahrain where Bidder is appointed as Fund Administrator as of 31 December 2023 10% Highest Bidder = 10% Remaining Bidders = Benchmarked against the highest Bidder based on Number	10%	State number of registered funds
4. Conformity to the requirements of the RFP Document; and to the Scope of Work for each Service. Fund Administration Services Custody Services Registrar Services Corporate Secretary Services	2.5% 2.5% 2.5% 2.5%	Yes / No Yes / No Yes / No Yes / No

Financial Model Validation (valid proof of expertise has to be demonstrated)	5.0%	Yes / No
Review of PPM from a business standpoint (valid proof of expertise has to be demonstrated)	5.0%	Yes / No
5. Technical Knowledge & Understanding		
<p>Correctly understand the Services, Scope of Services required and covered in the Proposal.</p> <p>5% = Complete requirements are covered in the Proposal, and are well-defined and documented.</p> <p>-1% = For each missing point/objective from the Proposal to a minimum of 0</p>	5.00%	As noted

Note: in recognition of the vital role played by Small and Medium Enterprises (SMEs) in the economy, and to foster their participation in the Bank's procurement processes, registered SMEs will be accorded a preferential weighting of ten percent (10%) in the evaluation of their Proposal. This preference is designed to enhance the competitiveness of SMEs and support their growth within the industry. Bidders seeking to benefit from SME preferences must provide proof of their SME status at the time of the submission of the Proposal.