

## **Request for Proposal**

### **Loan Origination Application**

Dear Sir / Madame,

Union Bank invites you to participate in the tender process for "Purchase of Loan Origination Application".

The purpose of this Request for Proposal is to accept; evaluate and select the best Proposal that meets the Bank's requirements for this process, according to the requirements listed in this Request for Proposal.

The proposals will be evaluated in accordance with the selection criteria below that will determine the winning bid:

- Technical evaluation of the proposed solutions / applications, offered by the company.
- Commercial evaluation based on the best and final price offered.

Thank you in advance for your reply and best regards,

Administration Department

Union Bank Sh.A.

Date issued 23 July 2024

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## **I. INTRODUCTION**

Union Bank (hereinafter “the Bank”, or “UB”) is a financial institution registered as a commercial bank on 9 January 2006. For further information regarding the Bank’s activities, size and financial situation, please visit our website: [www.unionbank.al](http://www.unionbank.al)

UB is seeking qualified and experienced vendors to provide services for Loan Origination solution. The purpose of this RFP is to invite vendors to submit their proposals for the provision of these services.

## **II. REQUEST FOR PROPOSAL REQUIREMENTS**

UB requests to be provided with a new system, a customer-oriented platform with a 360° view for each customer, with all loan products and their related documentation and information from initial loan application and origination to the disbursement phase and the entire lifecycle of a loan product. A unified lending solution for processing and handling loans and other credit products (business loans, retail secured /mortgages, credit cards, overdrafts secured / unsecured, etc.), end-to-end process from the customer application, though to decision and disbursement and further in the lifecycle management of the loan until it will be fully paid-off.

### **II.1. Business Requirements**

The system should have below requirements.

- **Unified Customer Profile & Onboarding of Lead and Customers (New/Existing)**
  - Unified Customer Profile providing all the necessary information for gaining the complete picture of a customer.
  - **Registration of Prospect Customers/Lead.**  
Selective data registration for prospect customers and possibility to transfer it to active customer of the Bank.
  - **Registration of New customers + New account opening**  
The system should have real-time integration with Core Banking system to identify the customer if exists or not. If customer is not existing in the Bank, users should be able to register the customer in LO application (registration of a new customer with all related information such as applicant contact information, personal details, loan details, etc. through all steps needed – i.e. KYC etc) and this customer to be automatically registered in Core Banking.
  - **Update to/from Core Banking**

If a customer is existing in the Bank, the system should retrieve all necessary fields from Core Banking and automatically populate screens in LO application. Every update on customer's data either at the LO application, or at Core banking, both systems must maintain customer's information always up to date through the necessary integration. Both systems should be in line with each other.

- Support of different origination channels through the entire UB's branches network, 3<sup>rd</sup> parties and "UB Online" the Digital Banking Platform of the Bank.
  
- **Parameterization of different loan products and loan types**
  - Possibility to parameterize different loan/card products (i.e. Business and Retail Loans, Credit Cards, Overdrafts etc) along with their specific parameters (interest rate, conditions, terms, repayment, fees etc) as per customer segmentation through a user-friendly interface.  
*\*\*\* list of the products embedded in the document, please refer to the II.3*
  - Mapping between Core Banking products and LO application products.
  - Possibility to parameterize third-party loans in the system.  
*\*\*\* please refer to the II.3*
  - Possibility to add new datapoints or mandatory fields to maintain in the system (for our internal reasons or regulatory)
  
- **Structured and configurable workflow**
  - A fully flexible Workflow to support as many workflow steps as required ensuring full compliance with the bank's processes.
  - The workflow process must be parameterized / configured as per each loan / credit product specific process flow to fully embed our business.  
*\*\*\* three template workflows embedded in the document, please refer to the II.3*
  - The possibility of sending the application forward (to next step) or back to the previous stage (with one-click button).
  - Easily handle several levels of approval and multi-level approval workflow mechanism allowing an application to be routed between users at different levels of hierarchy and then get approved (escalation of approval as per loan product)
  - Track application status at each step easily and efficiently and ability to issue alerts via email/SMS or other means if needed.
  - Automatic tasks generation and notifications as per the definitions and parameterization.
  
- **Import Documents Mechanism & Documents Management**
  - Possibility to parameterize the list of mandatory documents that are needed per each product, based on the bank specified parameters, such as loan product type, requested amount, type of income, etc. and "linked" to the customer's application.  
*\*\*\* list of documents embedded, please refer to the II.3*
  - Easy uploading of necessary customer's documents (electronic files) related to customer's loan application.

- All attached documents must be stored & archived and must be available for searching and viewing by authorized users.
- **Contracts and Documents/Forms generation**
  - Possibility to parameterize different templates for different loan products in different stages of a loan cycle. The templates should be made of static and dynamic fields that will be automatically populated in the document based on parametric mapping between dynamic fields and system generated information.
- **Internal credit checking, credit scoring tool, Risk indicators**
  - A Credit Scoring module configured according to our business logic with the purpose of delivering real-time decisions based on predefined rules and algorithms.  
*\*\*\* template credit scoring embedded in the document of workflows, please refer to the II.3*
  - The credit scoring mechanism automatically must calculate the score of an application based on the information entered.
  - Credit rating/scoring parameters must be easily modified according to loan products.
  - Quantitative (financial data) and qualitative (customer characteristic) from loan origination system and / or other system (both internal and external).
  - For any change in interest rate because of Risk decision, we should have the possibility to recalculate Credit Scoring.
- **User and Role management**
  - Management and configuration of Roles and Users.
  - The assignment of user to specific Roles (predefined) with specific rights.
- **Integration capabilities with 3<sup>rd</sup> party systems**
  - The LO system should have robust API capabilities to integrate with existing IT infrastructure, including Core Banking, peripherals, active directory, databases, CRM, APIs and third-party services like credit bureau, Identity verification services (eKYC) and payment gateways.
  - Integration should retrieve and refresh data both ways, meaning that data can be retrieved from Core modules to Origination modules and vice versa. Every time customer data is updated at one side it should be replicated to the other side.
- **Loan History & modifications**
  - When applying for a loan, the system should display all loan applications made so far by the loan applicant.
  - When applying for a loan, LO application should check and determine whether the applicant has submitted a duplicate application or has had a recent loan application rejected.
  - Ability to edit/modify application data through the system.

- **Collateral Management**
  - Ability to retrieve collateral data from Core Banking.
  - The ability to retrieve data / documents, or data of previous evaluation (of the same product) must also be supported.
  - Management and appraisal of credit collaterals.
  - Reuse many times of collateral once registered in the system within the same customer's processes.
  - Parameterization of different fields based on the type of collateral.
- **Alerts and Notifications**
  - The system must support various types of notification and alerts to fully meet the bank's specialized needs.
- **Reporting**
  - Possibility to develop any report that may be needed to offer full flexibility in process monitoring end-to-end and useful insights and required data to be exported in an appropriate and user-friendly format in order the necessary data to be managed and analyzes.
- **User-friendly web interface.**
  - Easy to use, well organized content, making it effortless for users to find what they are looking for, responsive, accessible.

## **II.2. Software Platform Technology Requirements**

- **High level IT architecture**
  - The solution should support both cloud and on-premises implementation, SaaS is an option we're willing to explore and evaluate as well. The high-level architecture set aside diagrams should list technologies regarding software platform, hardware, storage, networking, disaster recovery.
- **Scalability and Customization capabilities**
  - System should be able to handle a growing number of loan applications without performance degradation. It should be able to provide robust customization capabilities to tailor the system as per UB needs as well as be flexibility to adapt to changing business needs & regulations.
- **Performance**
  - Solution should maintain fast processing times to handle peak loads, insuring smooth user experience. Please mention the performance benchmarks.

- **High availability**
  - The System should ensure minimal downtime, especially in the case of SaaS and be able of handling a large volume of transactions simultaneously.
  
- **Security and Compliance**
  - System should have robust security measures to protect sensitive data, including encryption at rest and in transit, role-based access controls and audit logs. Based on the implementation (cloud or on-prem), security measures to be implemented (cloud – identity & access management, 2FA, encryption & network security groups, firewalls, intrusion detection systems, security audits; on-prem –intrusion detection systems, security audits)
  - System is required to support 4 eyes principle in transaction and administration layers.
  - The system should support compliance with relevant regulations such as Data Protection, PCI-DSS and Albania local banking regulations.
  - Built-in mechanism for detecting and preventing fraud will be a plus.
  
- **Data management and storage**
  - Please detail how the solution will manage and store data, including data encryption, backup and recovery, and data access controls.
  - Real time dashboards and analytics to monitor loan origination performance and metrics.
  - Comprehensive reporting tools for regulatory reporting, operational insights, and decision-making.
  
- **Accessibility and User Experience**
  - Solution to support different operating systems, browsers, and devices including desktops, tablets, and smartphones, so that different users to use the application in different environments (i.e retailers).
  - Intuitive and user-friendly interface for both Bank employees and customers.
  - If Mobile/tablet App is supported, mobile/tablet app to provide additional convenience to employees and/or customers.
  - A self-service portal for customers to track loan application status, upload documents and communicate with the Bank. (in case of full integration with Bank’s Digital experience platform the portal will not be required.
  
- **Automation and workflow**
  - Support for automation credit scoring and decision based on predefined criteria.
  - Capabilities to automate routine tasks and workflows, such as document verification and approval process.
  - Ability to customize workflows to match Bank’s specific processes and polices.

- **Document Management and e-signature**
  - Secure document upload, storage, and management with version control.
  - Support for electronic signature to streamline the loan approval process.
- **Support and maintenance**
  - Reliable vendor support for implementation, troubleshooting and maintenance.
  - Regular updates and upgrades to incorporate new features, security patches, and compliance requirements.
- **Project management methodologies**
  - Existence of a ticketing system for Incident and Change Management handling.
  - Definition of what is considered a Change Management associated with financial impact.
  - Estimation of time to evaluate one change request, make relevant comments and provide sign-off.
  - High-level estimation regarding the costs for man-days.
  - The max delivery until UAT.
- **Cost and licensing**
  - Clear and transparent pricing model (for SaaS, cloud and/or on-prem solution, including licensing fees, implementation costs, and maintenance costs.
  - Flexible pricing to support scalability and accommodate future growth and/or changing needs.

### **II.3. Supporting Documentation**

- Template workflows
- List of documents
- List of products



list%20of%20products.xlsx



Template%20Workflow%20Retail%20&#x2026;



list%20of%20documents.xlsx

- Currently there are two types of third-party loans that we want to implement:
  - Loan with 0% IR – Loan which is disbursed in merchant’s account; the repayment of the loan principal is done by the customer while the repayment of interest is done by merchant.
  - Loan which is disbursed in customer's account and then transferred to merchant's account’.



### III. PROJECT ORGANIZATION & GOVERNANCE

Project Management methodology will be defined accordingly, based on the proposal submitted by you in the technical proposal document.

Bank will contribute to project quality assurance during implementation & User Acceptance criteria tests.

### IV. REQUEST FOR PROPOSAL TIMELINE

<u>Date</u>	<u>Event</u>
23 July 2024	RFP Issued
5 August 2024	Deadline for submitting questions, clarifications
19 August 2024	Deadline for the Bank to submit the answers
2 September 2024	Deadline for bidders to submit proposals
20 September 2024	Deadline for bidders to demo* presentations
27 September 2024	Deadline for the Bank to Notify selections
30 September 2024	Contract sign off

Proposals must be received on or before the deadline and submitted by email to [procurement@unionbank.al](mailto:procurement@unionbank.al)

The proposal format must contain the list of documentation included in Annex 1 attached to this RFP.

The offer must remain valid for a period of at least 180 days from the date of the submission.

Demo\* → only shortlisted applicants will submit demo presentations.

## **ANNEX 1 – TECHNICAL AND COMMERCIAL DOCUMENTATION**

### **• Technical Proposal Documentation:**

Your proposal should include, but not be limited to, the following elements:

- 1) **Solution Overview:** A detailed description of proposed Application /Solution, emphasizing how it specifically accomplishes the functions in scope of the bank’s requirements.
- 2) **Demo presentation:** based on shared information, a ‘real’ demo presentation to be provided, emphasizing how it specifically accomplishes the functions in scope of the bank’s requirements.
- 3) **Administrative information / vendor profile** (mailing address, phone number of designated point of contact). Key profiles of the company and detailed CV-s of the resources that will be engaged the bank's project.
- 4) **Project management approach** (Including key project risk monitoring Procedure),
- 5) **Implementation and Support:** A clear implementation type (on-prem/cloud/SaaS, etc.), plan, timeline, and details on the nature of ongoing support and maintenance services.
- 6) **Hardware, Operating System, and database** (if needed) requirements,
- 7) **Professional Training.** A detailed outline of the training program, including curriculum, format, duration, trainer qualifications, and post-training support.
- 8) **Proof of Concept:** The possibility of conducting a POC, for a trial period, to understand if the tool may have any impact on specific systems or applications.
- 9) **Technical Specifications:** System requirements, compatibility with existing infrastructure, and any hardware or software prerequisites.
- 10) **Client References:** List of respective solution implementations performed in the last 5 years, specifying the bank/institution, the core platform integrated into and respective references. References of previous experiences of implementation of your solution to be provided.
- 11) **Draft Contract template:** A draft contract template for the requested Application / Solution must be provided together with the other required documentations.

### **• Commercial Proposal, which must include:**

Detailed pricing information, including any setup fees, subscription models, maintenance costs, and additional charges for training services. Commercial Proposal must include:

- 1) Total commercial proposal for the solution/s proposed.

- 2) Breakdown of applicable fees into phases of the project
- 3) Conditions and deliverables for payments

Currency shall be in EUR, to be specified VAT and / or any other applicable tax included or not. As a result of this request, a contract will be concluded with the selected Supplier.

Subcontracting will NOT be allowed during the realization of the contract, except when approved prior by the Bank. In case verified, it will lead to immediate interruption of the Contract.

To ensure same level of information for all participants, whatever answer or additional clarification that the Bank will give to one of the interested companies, will be shared with the rest of the participants in this process.

The form of communication for any question regarding the scope of this Request for Proposal will be done only through the e-mail address: [procurement@unionbank.al](mailto:procurement@unionbank.al)

The Documentation requested must be submitted in a **sealed envelope** by **September 2<sup>nd</sup>, 2024**, to the following address:

Departamenti i Administrates

Union Bank SHA

Bulevardi Zogu I, Sheshi Ferenc Nopçka, Nd. 5, H. 3, Njësia Bashkiake Nr. 9, Kodi Postar 1016, Tiranë, Shqipëri

With reference: **“Loan Origination Application”**

Or in electronic version PDF Format, by email to the address: [procurement@unionbank.al](mailto:procurement@unionbank.al)

The technical proposal and the commercial proposal must be submitted separately to each other; in separate envelopes if the proposal will be submitted on Hard Copy version or separately in PDF format if it will be submitted electronically.

## **ANNEX 2: Third Party Questionnaire**

Please answer the following questions on part 1 and part 2 of this document. If a question is not applicable for your organization, write N/A.

### **Part 1: Governance & Infrastructure Security Questions**

1. Who is responsible for managing your information security and privacy program?
  - a. Describe the experience and expertise of your IT security staff.
2. Do you outsource any IT or IT security functions to third-party service providers?
  - a. If so, who are they, what do they do, and what type of access do they have?
3. How do you protect customer information?
4. Have you ever experienced a significant cybersecurity incident? If yes,
  - a. Please define and describe it.
  - b. Do you report them on any local or international CSIRT?
5. Does your organization have a security program?
  - a. If so, what standards and guidelines does it follow?
  - b. Does your information security and privacy program cover all operations, services and systems that process sensitive data?
6. How frequently are your employees trained on cyber security?
7. Do you employ a cybersecurity assessment performed by a third-party organization?
  - a. If yes, what is the periodicity?
  - b. What were the results of your most recent vulnerability assessment and/or penetration test? (The report may be required after contract signing).
8. Do you employ server hardening?
9. Do you keep your server operating systems patched?
10. What operating systems are used on your servers?
11. Do you have a data recovery capability? If yes,
  - a. Do you backup your data?
  - b. How do you store backups?
  - c. Do you test backups?
12. Do you have automated tools that continuously monitor to ensure malicious software is not deployed and protect employee devices from ransomware and other types of malware?

13. Describe the processes and tools you use to reduce, control and monitor administrative privileges and privileged accounts.
14. Do you blacklist or whitelist communications?
15. Do you log security events? If yes,
  - a. How do you analyze security logging information?
  - b. How do you monitor your network to alert to cybersecurity events?
16. What processes/controls do you have in place to prevent the exfiltration of sensitive data, particularly sensitive customer data?
17. How do you plan and train for a cybersecurity incident? If yes,
  - a. What processes do you have in place to respond to an incident?
  - b. Do you regularly practice those things?
18. Do you have procedures in place for business continuity in the event that your office is inaccessible?
19. Do you have a disaster recovery plan? Describe it.
20. What types of physical protection do you have in place to prevent unauthorized access to data or infrastructure assets?
  - a. Do you have a written policy for physical security requirements?
  - b. Do you review physical and environmental risks? If yes, what is the periodicity?
  - c. Is your network equipment physically secured?
  - d. How many data centers store sensitive data?
  - e. What countries are data centers located in?
21. How do you manage remote access to your corporate network? If yes,
  - a. Do you use a VPN or another type of secure tunnel?
  - b. Do you use Multi Factor Authentication?
22. Do you have a removable media policy and controls to implement the policy?
23. How do you monitor for unauthorized personnel, connections, devices, and software?

**Part 2: Web Application Security Questions**

1. What is the name of your application? And what does it do?
2. Does your application have a valid SSL certificate to prevent man-in-the-middle attacks?
3. Does your application require login credentials?
4. Does your application have the possibility to use 2FA?
5. How do users get their initial password?
6. Do you have minimum password security standards?
7. How do you store passwords? (Encrypted or plain text)
8. How can users recover their credentials?
9. Do you offer single sign-on (SSO)?
10. How do you assess the security of the software that you develop and acquire?
  - a. Please provide the result of your last application assessment/pentest. (The report may be required after contract signing).
11. Is your application deployed on Cloud or On-Premises?