

23 August 2023

Reference: **RFP 2023-017 Provision of a Enterprise Risk Management Tool**

**ADDENDUM NO. 2**

This Addendum is issued to complement and will constitute an integral part of the captioned RFP. The original Invitation document will remain in full force and effect. Respondents shall take this Addendum into consideration when preparing and submitting their proposal.

**I. Responses to Requests for Clarifications (Table 1)**

No	Clarification requested	Response
1.	Please provide some insights on what are the different levels in the organization hierarchy and how does risks gets aggregated at each level	At the GCF we look at risk at 3 level: projects, processes and organization (macro) level. Processes and organizational risks can each be divided in institutional and programming. On the project side, each funded activity carries its own risk assessment which is aggregated at portfolio level. For more information about GCF organization, please refer to our website.
2.	Any correlation / interlinkage exists between Macro-level, process-level and project level risk assessment? Please share an example for the same	The three levels are components of a system where each risk area can cumulate or offset another
3.	What is the methodology that have to be supported? (Qualitative, quantitative, process based, asset based, combination, FAIR etc.) We understand that for RCSA its only process based and for Macro-Risk its only Qualitative. Is that true?	RCSA is process based. Macro is mainly qualitative (but we quantify the risk based on a scale of probability and impact). Project is qualitative and quantitative. The method to assess project risks is still being developed (planned to be finalized by Dec 2023) RCSA is process based. Macro is mainly qualitative (but we quantify the risk based on a scale of probability and impact). Project is qualitative and quantitative. The method to assess project risks is still being developed (planned to be finalized by Dec 2023)
4.	Could you please elaborate on the current offline process for all the 3 Management types?	Macro Risk Register : top down interview based process. Data is collected on excel spreadsheets RCSA : walkthrough of the processes which results in documentation of the process (Standard operating procedure on work and workflow on visio) Project : method still being developed. Risks are captured on excel
5.	Is there a defined set of control library? Does mapping exists between risks and controls?	Control library (and mapping with risks) is currently being elaborated through the RCSA exercise.
6.	Is there control and risk library common across all 3 types of risk assessments?	There is a common taxonomy but not yet a library
7.	Are there any specific standards applicable to GCF and to be covered under the functional aspects of ERM?	No specific standard for ERM. Internal Control framework is COSO
8.	Are the risk tolerance limits defined? How are they created?	not yet
9.	Does GCF maintain a risk hierarchy e.g. All RCSA risks are categorized & tagged to a Macro-level risk?	not yet - Hoping to be able to do so once we have a system

10.	Is there a common hierarchy for all 3 types of assessments (Macro, process and project level)?	There is a common rating method. Priority scale still to be aligned
11.	What is the frequency of re-assessments?	Not yet defined. This is our first assessment.
12.	How are action plans and exceptions currently handled? Is there a separate tools? Is it envisaged to be automated as part of this ERM system initiative?	Today follow-up is done on excel which is very inefficient. The system should allow to follow-up on action plans
13.	What is cumulative risk analysis?	Analysis that takes into account not only the impact of a risk in isolation but also the cumulative impact of different risks. Several low or medium risk may cumulate and create a larger impact than a single high risk item
14.	Do we use / plan to use any questionnaires for assessments? If yes, please indicate the count of different types of questionnaires	1 questionnaire is used for Macro level.
15.	Does GCF intent to have incident management, KRI/KPI tracking through ERM system?	Yes, The system should provide KPI on control effectiveness
16.	Is there a separate risk assessment performed for each phase of project? Or it is just one type of assessment throughout the project lifecycle?	The method we are currently developing will be used throughout the entire project lifecycle
17.	Would GCF need any support for development / enhancement of existing ERM framework? If yes, to what extent?	The scope of this assignment is limited to the system
18.	Please provide details on the training expectations: - Type of training (end user, administrator) - Number of participants - Count of training sessions - Any other details	Training of process/control owners (around 50 participants) can be done by webinar / video recording. Admin team (2 to 3 people) to be extensively trained on the tool functionalities
19.	Does GCF any preferred tool? Please indicate (if any)	no preferred tool
20.	Wondering what the approximate project budget would be.	As mentioned, this will not be published or made available during the procurement process.
21.	RFP 23p "Indicate all main activities of the assignment, including delivery of reports (e.g.: inception, interim, and final reports), and other benchmarks such as Client approvals. For phased assignments indicate activities, delivery of reports, and benchmarks separately for each phase.", it is mentioned to describe the entire project phases 1-3. If so, it is my understanding that both Technical and Financial proposals should include phases 1-3. Please let us know if our understanding is different.	"The financial proposal should cover all three phases and activities and/or reflect total costs up to the point of handover. Please note that the technical submission should not include any financial information.

22.	Is there an anticipation of any on-site or in-person sessions? If this is the case, kindly provide information regarding their frequency and duration.	If this is training session the vendor is referring to, they can either be remote or on-site. Frequency and duration should be proposed by the vendor based on their previous experience of implementing the tool
23.	Does GCF currently possess active Power BI licenses?	Yes
24.	What is the extent of data or processes that need to be transferred from the current data sources (such as Excel spreadsheets, PowerPoint presentations, Visio flowcharts, emails, and various GCF systems like PRTP, iPMS, PPMS, GRC, etc.)?	Around 50 sub-processes would have been mapped by the end of 2023, including SoP on word and flowcharts on Visio. Difficult at this stage to know the amount of information that would come from PRTP, iPMS etc.
25.	Regarding the ISO 14001 Certification for Environmental Management, is this a strict requirement that could potentially disqualify a bidder?	This is non-applicable for this RFP.
26.	Are we permitted to include optional expenses within the financial proposal, or is it mandatory for all costs to be incorporated?	Optional expenses are permitted, but the final cost which will be evaluated should reflect the core requirements listed in the ToR. Please indicate optional expenses separately.
27.	With reference to point 2.11 in your specification – please can you explain what is meant by the Self-Assessment Reliability KPI?	Self-assessment will provide a control level from 1 to 3 (1 control not existent, 2 partial, 3 control is fully performing). Our third line of defense would test these controls independently and would either confirm the self-assessment or downgrade the control to a lower level.  This particular KPI aims at measuring the % of time a control level (from 1 to 3) would be downgraded by an independent review.
28.	Could you share more details on your Control Self-Assessment process?	The RCSA is under way for 50 sub-processes. It consists in a walkthrough of the processes and an identification of the risks and controls
29.	Could you please provide confirmation regarding the volume of data that needs to be migrated into the new system?  This information is crucial for us to prepare the Implementation plan and estimation of resources for migration. For instance, we would require the estimated number of risk registers, incidents, and any other relevant data that is to be migrated.	We expect to conduct 1 RCSA by sub-process and have identified 150+ sub-processes
30.	From a Project Risk Perspective, would you consider performing Cost and Schedule Risk Analysis on these projects? For instance, utilizing Monte Carlo tools to simulate the potential impact on cost and schedule.	Not planned. Would be interested to know more about the proposed method.
31.	Under section 7, Time schedule,	Our team would consider this approach, yes.

	<p>It appears that the preferred approach is a multi-phased timeline for the project implementation.</p> <p>Considering that our proposed solution is a commercial-off-the-shelf (COTS) solution, we would like to suggest an alternative approach of a single-phase deployment, which is quite common in our system implementations. Given the capabilities of our proven platform, which has highly configurability, we are confident in executing a successful roll-out using a single-phase approach.</p> <p>This approach can expedite the implementation process and streamline the overall deployment, potentially reducing project timelines, resources and costs while ensuring a smooth and efficient transition to the new system. We believe that our adaptable solution, coupled with a well-planned single-phase deployment, can provide your organization with an optimal and timely implementation that aligns with your requirements and maximizes the benefits of the system.</p> <p>Would your team welcome the above-mentioned alternative approach?</p>	
32.	<p>In the specification, there is no mentioned on the number of users and the detailed breakdown of the roles. Our team would like to request for information regarding the <b>estimated number of system users</b> and <b>their specific roles</b>.</p> <p>You may consider providing information such as the breakdown of user roles, such as Project Managers, Program Managers, Risk Analysts, Risk Managers, and Risk Owners. It will be helpful in determining the appropriate software license breakdown.</p> <p>Alternatively, your team could also provide a breakdown of the types of users, such as Power Users, Administrators, and Basic Users.</p> <p>Furthermore, would there be 3<sup>rd</sup> party users who are involved in your green projects and require access to the system to update the status of the risks and controls.</p>	We expect around 50 process owners. More detail to be provided.

	<p>This information will allow us to consider the number of external user accounts and their specific requirements, ensuring seamless collaboration and efficient data management. <b>If so, please also advise the number of accounts for such external users.</b></p>	
33.	<p>We would like to clarify if the Acknowledgment Letter is mandatory to be submitted in the final RFP submission. Our team did not submit the Acknowledgment Letter previously.</p>	<p>The letter is not mandatory and will not preclude a submission.</p>
34.	<p>We refer to one of your templates, Form FIN-1, that states, '...to provide the <b>consulting services</b> for the assignment in accordance with your Request for Proposal for consulting services.'</p> <p>However, after reviewing the RFP specification, it appears that the primary focus is on the provision and delivery of an Enterprise Risk Management solution rather than offering any consulting services. The requirement did not mention of any consultancy services, such as developing a risk framework for the organization. Please help to confirm if our understanding is correct.</p>	<p>Confirmed. This is not a request for consulting services.</p>
35.	<p>In your template, Form Fin 2 Summary of Costs, there are various cost components stated in the tables that focus mainly on resources' costing, rather than the software licenses, software maintenance support, and system hosting services.</p> <p><b>Does that imply that your preference would be on a bespoke design and development of an ERM system, rather than the deploying a commercial off-the-shelf ERM solution that is configurable?</b></p> <p>Our business model focuses on the delivery of our commercial off-the-shelf ERM solution, and the implementation resources are not the key cost of the project. We concentrate on a set of standard deliverables for our clients, and the professional services would focus on the following activities: alignment of requirements, system configuration, report</p>	<p>If the off-the-shelf product fulfils the requirement, we should be ok to accept.</p>

	development, data migration, testing, training, production environment setup, and system support.	
36.	Can you please confirm the quantity of expected Users for the Enterprise Risk Management tool/system?	It is hard to predict but we are expecting all process owners to have access to the system + Ops team + Risk Team. We are looking at least 50 users
37.	“Process mapping to visually describe the flow of work” (statement from RFP) – What are you expecting this to look like? What does this look like currently? What are you currently using	Today we are using Visio but we would like to move to a more dynamic mapping system which would be integrated with a risk management system
38.	“Link from process mapping to including process risks and controls” (statement from RFP) – Similar to Question 2 above, how should this function?	We need a process map which would help us identify where the risks and controls are located in the workflow. Ideally, when a control failure is identified at one point of the process, this would directly affect our heatmaps
39.	“Self-assessment documentation, testing procedures and results” (statement from RFP) – Can you provide a little more context and information on this requirement? How are you expecting it to look and work in the proposed solution?	Our controls will be submitted to self-evaluation and testing. We would like to be able to document the self-evaluation and the testing results in the system. (rather than having it all stored in a separate location and have to manually input the results)
40.	“Operational risk mapping, including inherent and residual risk evaluation based on GCF’s scoring method.” (Statement from RFP) – We can’t find this scoring method, can you please provide more detail on how this is currently done?	GCF currently uses a 5 level scale risk scoring method for probability of occurrence and potential impact. The risk severity is calculated based on Probability * Impact
41.	<ol style="list-style-type: none"> <li>1. As per our understanding of the scope, there have been no mention to develop or update the ERM framework and policy. Please specify if we have to develop these documents?</li> <li>2. As per our understanding - The existing Risk Management Framework (RMF) was adopted in 2017 and there a existing risk register that needs to be updated Please confirm our understanding is correct or not.</li> <li>3. Please specify the no. of risks in the risk database.</li> </ol> <p>Please clarify whether any risk management tool sufficing the requirements would be acceptable for implementation.</p>	<ol style="list-style-type: none"> <li>1. No need to develop framework or policy. We are procuring the system. (The documentation of the system is required)</li> <li>2. The existing Risk Register is being reviewed internally</li> <li>3. At this stage, it is not possible to answer how many risks will come out of our 150 + processes and 200+ projects under implementation</li> </ol> <p>The Risk Management System will have to fulfill the requirements of the RfP</p>
42.	4. How many processes (for RCSA) are expected to be covered in the scope?	If we have identified 150+ sub-processes

43.	<ol style="list-style-type: none"> <li>1. How many verticals/ business units/ supporting functions are expected to be covered in the scope?</li> <li>2. As per our understanding a macro level risk register needs to be prepared/updated. Please confirm our understanding is correct or not.</li> <li>3. How many process level risk registers are expected to be developed?</li> <li>4. What is the expected number of risk workshops?</li> <li>5. Is there a standard for impact and likelihood or do we need to develop the scales for risk impact and likelihood?</li> </ol>	<ol style="list-style-type: none"> <li>1. The GCF is not organized in business units. All of the divisions of the funds will be covered in the scope</li> <li>2. This has largely been done internally.</li> <li>3. 1 per sub-process</li> <li>4. This information is not relevant to the current RfP. This RfP is focused on the system</li> </ol> <p>The GCF has develop their scales for risk and likelihood</p>
46.	<ol style="list-style-type: none"> <li>1. Please give details (number and name) of projects where project level risk assessment is to be performed?</li> </ol> <p>How many locations are to be covered for the development of project wise Risk Registers?</p>	<ol style="list-style-type: none"> <li>1. This information is not relevant to the current RfP. This RfP is focused on the system</li> </ol>
47.	Please provide more details about the configuration of existing systems.	All internal systems are integrated through the GCF REST API. These can be made available for any third-party application, and data can be shared as needed. Documentation will be provided. (MG)
48.	As per our understanding, the responsibility for maintenance and update of the automation tool after the project period would be of GCF. Please confirm our understanding is correct or not.	Proper documentation (system admin, maintenance, etc.) must be provided after the project period ends. (MG)
49.	<ol style="list-style-type: none"> <li>1. What is the expected number of trainings and number of participants in each training?</li> <li>2. What would be the locations for the training?</li> </ol> <p>As per our understanding of the scope, there have been no mention for risk management training. Please specify if risk management training needs to be conducted? (If yes, please specify the number of trainings, participants and location)</p>	<ol style="list-style-type: none"> <li>1. All process owners should be trained on the system</li> <li>2. Online or Songdo</li> </ol> <p>No, This RfP is focused on a system</p>
50.	Please provide more details about the configuration of existing systems.	All internal systems are integrated through the GCF REST API. These can be made available for any third-party application, and data can be shared as needed. Documentation will be provided. (MG)
51.	1. Please clarify if we can share experience across sectors/ industries or whether the given criteria is restricted to any particular industry. Please clarify if experience or work done by global member firm or	<ol style="list-style-type: none"> <li>1. You may provide information of other sectors but would be more relevant if experience could be in the same industry</li> </ol> <p>Can be considered</p>

	member firm of different across geographies be considered in the eligibility criteria for evaluation.	
52.	<ol style="list-style-type: none"> <li>1. As per our understanding of the scope, there have been no mention to report identifying new risks. Please specify if we have to identify all new risks?</li> <li>2. Please clarify if bidder needs to develop or update the risk registers?</li> </ol>	<ol style="list-style-type: none"> <li>1. The bidder will not conduct any risk assessment No. RfP is focused on the system</li> </ol>
53.	Currency mentioned in Price column is USD. Please specify the exchange rate to use to convert project value to USD.	Please refer to the prevailing exchange rate listed on <a href="https://treasury.un.org/operationalrates/OperationalRates.php">https://treasury.un.org/operationalrates/OperationalRates.php</a> please note that any exchange rate fluctuations will not be absorbed by GCF during the course of implementation.
54.	<p>Consultants are required to report at GCF, Headquarter/Office Space or meetings can be remotely?</p> <p>In case visits/travel to GCF locations is not possible, we assume that there is a provision to conduct discussions/meetings through video conferencing and will be agreed mutually with the management.</p>	Meetings can be remotely

Please take note.

Procurement Unit, Office of Administrative Services (OAS)  
Green Climate Fund