EXPORT DEVELOPMENT CANADA (EDC) ADVANCE CONTRACT AWARD NOTIFICATION (ACAN)

Description of Work

Export Development Canada (EDC) has a requirement to replace certain legacy risk tools, while modernizing and converging on a single Credit Model and rating management platform supporting multiple capabilities.

This modernized single platform will include cloud-based integrated capabilities as well as economic and financial market data/analytics data to support the development of its IFRS9 PD Model/ECL calculation. This Platform will allow EDC to undertake more efficient internal modelling, validation, and risk analysis in a centralized and converged platform.

This modernization to these critical Credit models and rating management platform includes a robust scope and will ensure EDC's model suite is governed in a well-controlled IT environment. Core functions of the solution will include robust risk rating workflow approvals, ECL functionality, economic scenario generator functionality, and the potential for automated financial spreading using machine learning/AI, ESG/Climate Risk modelling and data, with potential to provide Asset and Liability Management capabilities. Full scope of requirement can be found below.

Requirements

Export Development Canada (EDC) has a requirement for the supply of a single vendor converged Credit model and rating management platform. The platform must contain the following essential characteristics, and perform the following essential functions, including integrations with the identified systems:

1. The contractor must demonstrate the software can perform Hosting/ API (Application Programming Interface) Integration with internal and externally developed credit risk rating models.
   a. Probability of Default
   b. Loss Given Default
   c. Master Rating Scales
2. The contractor must demonstrate the software can perform Automation, Inventory management, and deployment of Risk Rating Models (Model Lifecycle Management)
   a. Integration with external and internal data sources
   b. Model deployment and integration API capabilities
   c. Automated Model Documentation creation
   d. Formalized model registry and inventory including:
      1. Validation status
      2. Formal audit trails for actions and model runs.
   e. Access controls for varying levels of users
   f. SAS EG, SAS Viya, and Python development integration
3. The contractor must demonstrate the software is an Auditable platform with data consolidation, IFRS9 model warehousing, and expected credit loss calculation capabilities.
   a. Access to Economic Forecasting Data with the ability to develop multiple scenarios individually or with others simultaneously, in a web-based environment.

      b. Direct credit risk, economic, and financial dataset ingestion (Loans, Guarantees, and Commitments)

      c. Produces standard and custom upside and downside macroeconomic scenarios for "forward-looking" and "probability-weighted" aspects of IFRS 9 impairment calculations.

      d. In-depth ECL results analysis including macroeconomic scenario impacts

4. The contractor must demonstrate the software can include AI-Enabled Financial Spreading capabilities while concurrently allowing manual financial capabilities.

      a. Solution will allow for EDC to perform QA on automation results internally.

      b. Standard out-of-the-box financial templates available

      c. 95% accuracy on automation

5. The contractor must demonstrate the software includes advanced low-code workflow capabilities to adjust business rules and workflow on demand via in-app toolkits.

      a. PD request and approval

      b. LGD (Loss Given Default) request and approval

      c. Covenant Monitoring approval

6. The contractor must demonstrate the software can perform Covenant Monitoring capabilities.

      a. Formula building capabilities.

      b. Test and track covenant capabilities

7. The contractor must demonstrate the software can perform PD and LGD Rating Reporting capabilities.

      a. The platform must be able to provide advanced reporting and analytics capabilities.

      b. Data visualization and dashboarding capabilities

8. The contractor must demonstrate the software contains API Integration capabilities with Internal and External application including, but not limited to:

      a. SaaS based CRM (Customer Relationship Management) tool

      b. Microsoft Data Platform

      c. External agency rating data feeds

9. The contractor must demonstrate the software can include Climate Risk and ESG Assessment module capabilities.

      a. Access to climate data and analytics associated to physical, transition, and combined risk associated with an Obligor.

      b. Ability to generate Climate adjusted PD ratings at the obligor level.

      c. Ability to assess the impact of ESG on the credit rating of an Obligor.

      d. cumulative risk scoring, reports, and dashboards

10. The contractor must demonstrate the software can perform Counterparty Screening and Monitoring – KYC Capabilities

      a. Ability to screen counterparties on the following criteria.

            1. Politically exposed persons

            2. State-Owned Entities

            3. Sanctions and Watchlists

            4. Customizable datasets

11. The contractor must demonstrate the software can include a fully integrated Asset and Liability Management Capabilities

      a. Asset and liability management

      b. Interest rate risk management

      c. Liquidity risk management

      d. Multi-factor behavior modeling

     e.   Balance sheet management capabilities.

12. The contractor must demonstrate the software is a SaaS solution – hosted in a "5 eyes" jurisdiction.
     a.   Encryption requirement
     b.   Uptime requirement
     c.   SSO requirement
     d.   PEN test requirement
     e.   Data ownership and access requirement

13. The contractor must demonstrate the software can be available in multiple Languages to support EDC's alignment with accessibility.
     a.   French
     b.   English

Justification for the Pre-Selected Supplier:

Moody's Analytics is the only supplier who can offer the full integrated suite and meets the requirement of a fully integrated modular Credit Model and rating management platform tool.

Should EDC receive a statement of capabilities from a supplier that contains sufficient information to indicate that it meets the requirements set forth in this ACAN, a competitive process will be triggered with a technical and financial evaluation methodology of the bids proposed by the potential bidders.

Intellectual Property

EDC shall obtain no rights in any Contractor Intellectual Property except those limited, non-exclusive rights expressly granted under a Master License and Services Agreement.

Contract Period

The contract period will be from Contract Award to December 31, 2029

Estimated Value

The estimated maximum value of the contract is $15,115,632.10 USD

Submission of Statement of Capabilities

Suppliers who consider themselves fully qualified and available to meet the specified requirements may submit a statement of capabilities in writing to the Contracting Authority identified in this Notice on or before the closing date of this Notice. The statement of capabilities must clearly demonstrate how the supplier meets the advertised requirements.

Minimum Essential Requirements

Any interested supplier must demonstrate by way of a statement of capabilities that it meets the following requirements:

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      c. Master Rating Scales

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      b. Model deployment and integration API capabilities

      c. Automated Model Documentation creation

      d. Formalized model registry and inventory including:

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      e. Access controls for varying levels of users

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      a. Asset and liability management
      b. Interest rate risk management
      c. Liquidity risk management
      d. Multi-factor behavior modeling
      e. Balance sheet management capabilities.
12. The contractor must demonstrate the software is a SaaS solution – hosted in a "5 eyes" (Australia, Canada, New Zealand, United Kingdom, United States) jurisdiction as well as details of below found in the Security section of this document.

13. The contractor must demonstrate the software can be available in multiple Languages to support EDC's alignment with accessibility.
      c. French
      d. English

Security Requirements

The vendor must demonstrate the software is Systems and Organization Controls (SOC) 2 Compliant.

Name and Address of Proposed Contractor

Moody's Analytics
7 World Trade Center at
250 Greenwich Street
New York, NY 10007
www.moodysanalytics.com

The closing date and time for accepting statements of capabilities is:

June 27th, 2023 EST 13:00pm

Inquiries and statements of capabilities are to be directed via email to:

Scott Farrell, Senior Procurement Advisor
Email: sfarrell@edc.ca

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150 Slater Street
Ottawa, ON, K1A 1K3
Telephone: (613) 597-8863