



## UCO BANK

### Department of Information Technology

### RFP for Supply, Installation and Management of 10,000 POS (Point of Sale) Machines for Merchant Acquiring Business

RFP REF NO: UCO/DIT/149/2015-16 Date: 28/04/2015

### Pre-Bid Replies / Clarifications to Queries raised by the Bidder(s) and Amendments

SI No.	Clause No./ Page No.	Terms & Conditions as per RFP	Queries by Bidders	Bank's Response
1	Page No. 7, Clause No. 4	Earnest Money Deposit : Rs.1,00,00,000/- in the form of BG	<p>Normally banks are expecting EMD for Rs. 10, 00, 000/- in the form of BG. Kindly consider our request.</p> <p>Request the bank to reduce the EMD to 10 Lacs in line with other RFPs in the industry.</p> <p>EMD is given as Rs 1,00,00,000 (Rupees one Crore only) – Request the Bid security amount to be reduced, as the bidder has to bear all the costs of the business and also the projected number of 10,000 machines is spread over 5 years, the same can be considered for initial EMD towards bidding at Rs 5 or 10 lacs?</p>	The Bidder(s) must submit Earnest Money Deposit in the form of Bank Guarantee valid for a period of 180 days in favor of UCO Bank payable at Kolkata for an amount of Rs 15,00,000/- (Rupees Fifteen Lacs Only)
2	Page No. 9, Clause No. 7.6	The bidder should have experience of working with at least one scheduled commercial bank for atleast two years in India in PSTN/GPRS/ PC and MPOS Terminal deployment,	<p>Request to kindly amend as follows :</p> <p>The bidder should have experience of working with at least one scheduled commercial bank for atleast two years in India in PSTN/GPRS/PC and preferably MPOS Terminal deployment,</p>	The subject clause stands modified as under: The bidder should have experience of working with at least one scheduled commercial bank for atleast two years in India in PSTN/GPRS Terminal deployment. However the experience in deployment of PC POS and MPOS is desirable but selected vendor would

				be required to deploy all types of POS Machines as per the requirement of the Bank in the ratio given in the RFP.
3	Page No. 10, Clause No. 7.9	<p>The bidder should have its own switch, certified for credit &amp; debit card acquiring business by VISA/ MasterCard/ NPCI and AMEX (if required by merchant/Bank)</p> <p>and also the bidder should be a registered third party processor/ member service provider (TPP/MSP) for VISA/ MasterCard and NPCI with requisite experience.</p> <p>The bidder should own/have requisite valid licenses to do the Merchant Acquiring Business. All the POS Terminals should be directly connected to the bidders switch for providing switch services for acquiring transactions.</p>	<p>Request to kindly amend as follows:</p> <p>The Bidder should have its own Switch, if not then the bidder should have tie up arrangement with Switch OEM, certified for credit &amp; debit card acquiring business by VISA/ MasterCard/ NPCI and AMEX (if required by merchant/Bank)</p> <p>and also the bidder/Switch OEM should be a registered third party processor/ member service provider (TPP/MSP) for VISA/ MasterCard and NPCI with requisite experience.</p> <p>The bidder/Switch OEM should own/have requisite valid licenses to do the Merchant Acquiring Business. All the POS Terminals should be directly connected to the bidders switch for providing switch services for acquiring transactions.</p>	<p>The subject clause stands amended as under:</p> <p>"The Bidder should have its own Switch, if not then the bidder should have tie up arrangement with Switch service provider operating in India, certified for credit &amp; debit card acquiring business by VISA/ MasterCard/ Rupay. AMEX (if required by merchant/Bank)</p> <p>The bidder / Switch service provider should be a certified third party processor/ member service provider (TPP/MSP) for VISA/ MasterCard and NPCI with requisite experience.</p> <p>The bidder/Switch service provider should own/have requisite valid licenses to do the Merchant Acquiring Business. All the POS Terminals should be directly connected to the bidders switch for providing switch services for acquiring transactions"</p>
4	Page No. 11, Clause No. 7.12	The Bidder should have VAP / MIP / NFS connectivity in its data centre to provide the necessary connectivity to the Bank for routing VISA/Master Card/ NPCI transactions respectively.	<p>Request to kindly amend as follows:</p> <p>The Bidder/Switch OEM should have VAP / MIP / NFS connectivity in its data centre to provide the necessary connectivity to the Bank for routing VISA/Master Card/ NPCI transactions respectively.</p>	<p>The subject clause stands amended as under:</p> <p>The Bidder/Switch service provider should have VAP / MIP / NFS connectivity in its data centre to provide the necessary connectivity to the Bank for routing VISA/Master Card/ NPCI transactions respectively.</p>

5	Page No. 6 Clause No. 2 Objective	As per market trends, it is envisaged that deployment of POS will be through following mechanism: 1. PSTN ----- > 40% of Total projected quantity 2. GPRS -----> 40% of Total projected quantity 3. PC-Based -----> 10% of Total projected quantity 4. MPoS. -----> 10% of Total projected quantity The distribution of the POS machines for the above categories will be in the ratio 60, 20, 10 and 10 which may vary in future.	Request the Bank to clarify whether the deployment will be 40%:40%:10%:10% ratio or 60%:20%:10%:10%.  Deployment of POS given as 40% PSTN, 40% GPRS, 10% PC-Based and 10% MPoS, whereas in the next line, distribution of POS for above category says 60,20,10,10. - Need clarity and also would like know the trend. The current market trend is 35 PSTN, 60 GPRS and 5 MPoS. We would like to know whether a change in the distribution would be entertained. This impacts the commercial BID template on page 36.	The subject clause stands modified as under:  "The distribution of POS Machines will be as follows:  1. PSTN----->40% 2. GPRS----->40% 3. PC Based--> 10% 4. MPoS-----> 10%  The above mentioned ratios are tentative and may vary $\pm 5\%$ as per business requirement of the Bank. Please note that Bank intends to procure 10,000 POS Machines (indicative) during the contract period.
6	Page No.12 Clause No. 8 BROAD SCOPE OF THE WORK	8. BROAD SCOPE OF THE WORK	Request the bank to clarify number of terminals already deployed by the Bank  Number of merchants already on boarded by the Bank  Number of transactions clocked by the Bank per day per terminal	It is clarified that at present Bank is not in POS business hence NO POS terminals have been deployed by the Bank as on date.  Bidders are requested to quote the prices as per Commercial Bid Template given in the RFP document i.e <b><u>Annexure-VI</u></b> . Any alternation / deviation in the commercial format will get summarily rejected.
7	Page No. 12 Clause No. 8 BROAD SCOPE OF THE WORK	8. BROAD SCOPE OF THE WORK	We assume the requirement of the RFP is for the new terminals that will be deployed by the bidder. Since there is a placeholder only for the new terminals we need a placeholder to quote for the old terminals in case old terminals is also part of the scope	Bidders are also requested to attach the Masked Commercial Bid (without price) along with technical document.
8	Page No.12 Clause No. 8 BROAD SCOPE OF THE WORK	The Bank desires to invite the bid proposal from the vendors having experience and competencies in Supply, Installation and Management of Point of Sale (POS) for Merchant	Request the bank to clarify in detail what does monthly transaction mean? Also request the bank to clarify whether the bidder needs to quote for the transaction fee.	It is clarified that Bank will share the net commission earned through POS Business with the selected vendor on monthly basis, after adjustment of amount payable to the vendor in

		Acquiring Business of the Bank that will include marketing, acquiring new clients and other associated services on fixed monthly rental basis along with monthly transaction incentive.		<p>the ratio of 60% (Bank) and 40% (Vendor). However, if there is no net commission earned by the Bank after adjustments of payable amount to vendor, no amount would be shared by the Bank. (For example, if the accrued rental amount payable to vendor is say Rs5 Lacs and net income earned by the Bank after adjustment of accrued rental amount is say Rs1 Lac, the net income amount will be shared between Bank and the vendor in 60:40 i.e Rs60,000 &amp; Rs40,000 respectively. However, if no income surplus income earned by the Bank after adjustment of accrued rentals , no amount would be shared by the Bank.</p> <p>Bidders to quote as per the line item given in the commercial format.</p>
9	Page No.13 Clause No. 8.3.11	The service provider should be able to deploy NFC (Near Field Communications) terminals consequently its systems should be compatible to process the transactions through NFC cards in near future as per RBI guidelines.	<p>Request the bank to clarify whether this feature is required on all the terminals</p> <p>Service Provider should be able to deploy NFC terminals - NFC- adding NFC antenna would increase the cost of POS. Are the Service Providers expected to deploy POS with NFC sensors from day 1 or is it enough if the POS is compatible and upgradable at a later time? The cost of adding NFC antenna will have to be worked out at that point in time</p>	<p>It is clarified that NFC based terminal deployment is future requirement.</p> <p>Accordingly, it has been stated that service provider should be able to deploy NFC (Near Field Communications) terminals consequently its systems should be compatible to process the transactions through NFC cards in near future as per RBI guidelines.</p>
10	Page No.13 Clause No.8.9	Bidder may change POS terminal of any other leading industry make / model during the contract period with the prior approval of the Bank. However, approval of change in	Request the bank to clarify the relevance of eligibility criteria No. 5 (making arrangements with terminal vendors before the submission) considering the bank is allowing the bidder to change the	It is clarified that in the eligibility criteria it is mentioned that Bidder should be preferably an Original Equipment Manufacturer (OEM). If not then the bidder

		terminal would at the discretion of the Bank.	make/ model during the contract period	<p>should be an authorized representative / distributor of OEM in India or should have tied up arrangement with a manufacturer of POS terminals. The tie up arrangement must be at least prior to the date of submission of bid. But the bidder is required to submit the Manufacturer Authorisation Form (MAF) valid for the entire contract period along with the bid.</p> <p>However, Bank has also stated that Change of POS terminals of any other leading industry make / model is permitted during the contract period, with prior approval of the Bank. The POS terminals should meet the technical specifications set out in the RFP.</p>
11	Page No.14 Clause No.9. Roles and responsibilities	9.2 Identification of Merchants, signup	Request the bank to clarify the requirement from the bidder in detail	It is the responsibility of the bidder to identify & select the merchant. However, Bank will assist the vendor by providing leads & referrals of the Merchants through Branch network.
12	Page No.14 Clause No.9. Roles and responsibilities	9.8 Advertisement & Marketing	Request the bank to clarify the requirement from the bidder in detail	The advertisement, Branding & marketing of the POS Business will be done by Bank and vendor jointly.
13	Page No.14 Clause No.9. Roles and responsibilities	Bidder is required to bear Fraud and Risk liability and provide effective Fraud and Risk Management Services addressing of chargeback, if any arises will be the responsibility of the bidder and all other issues like collection of charge slips, making representation etc shall also be	We assume that the fraud and risk related liability will arise only in case where the fraud/risk occurs because of the bidder related system failure. Request the bank to confirm.	It is clarified that bidder will be solely responsible if fraud occurs due to Bidders system / Machine /Terminal failure / shortcomings or by involvement of their personnel.

		managed by the bidder.		
14	Page No.18 Clause No.9. Roles and responsibilities	If at a later date, the POS terminals are available with separate PIN pad to facilitate PIN entry by the Cardholder; such additions shall be made in all the terminals deployed by the bidder	We assume that the additions shall be made at mutually agreed commercials as the bidder would not be privy to such additions at the time of the bidding for the RFP. Request the bank to confirm.	The RFP clause is self explanatory. Requirement stands as per RFP.
15	Page No.18 Clause No.9 Roles and responsibilities	For any significant changes like Aadhar based authentication / Biometric or due to RBI/GOI directives resulting in hardware related change, Bank will discuss the same with the selected vendor and finalise mutually.	We assume that the changes shall be made at mutually agreed commercials as the bidder would not be privy to such additions at the time of the bidding for the RFP. Request the bank to confirm.	The RFP clause is self explanatory. Requirement stands as per RFP.
16	Page No.20 Clause No.13. Price - 13.3	The Bidder will pass on to the Bank, all fiscal benefits arising out of reductions, if any, in Government levies viz. sales tax, excise duty, custom duty, etc. or the benefit of discounts if any announced in respect of the cost of the items for which orders have been placed during that period.	We assume that any increase in Government levies viz. sales tax, excise duty, custom duty, etc. or the benefit of discounts if any announced in respect of the cost of the items for which orders have been placed during that period will be borne by the bank. Request the bank to confirm.	It is clarified that applicable taxes will be paid at actual at time of resultant billing. However, Bidder is required to quote applicable taxes as on bid response date, if any in the commercial format.
17	Page No.21 Clause No.13. Price - 13.4 and Note 7 of the commercial bid template	Revenue sharing with L1 bidder - Bank will share the net commission earned through POS Business with the selected vendor on monthly basis, after adjustment of amount payable to selected vendor in the ratio of 60% (Bank) and 40% (Vendor).	Request the bank to clarify how the net commission will be arrived at?	Please refer to query response given at Sr. No 9 above.
18	Page No.21 Clause No.14. Performance Guarantee	Entire clause	Request the Bank to clarify the relevance of warranty period stated here as the requirement is for deployment of terminals on opex model.	The "Warranty Period" should be read as "Contract Period" i.e 5 Years.
19	Page No.22 Clause No.20. Contract period	The performance of the selected bidder shall be reviewed every quarter and the Bank reserves the right to terminate the contract at its	We assume this clause will be invoked only in case of circumstance mentioned in clause 21.Order cancellation. Request the Bank to confirm.	Requirement stands as per RFP

		sole discretion by giving two months notice without assigning any reasons.	We assume that the clause will be invoked only providing sufficient notice for rectifying the breach mentioned in clause 21. order cancellation.	
20	Page No.23 Clause No.21. Order cancellation (Termination)	UCO BANK reserves the right to cancel the contract placed on the selected bidder and recover expenditure incurred by UCO BANK under the following circumstances	Request the bank to clarify what is the expenditure mentioned in this clause	The RFP clause is self explanatory. Requirement stands as per RFP.
21	Page No.23 Clause No.21. Order cancellation (Termination)	In this event, the selected bidder is bound to make good the additional expenditure, which UCO BANK may have to incur in executing the balance contract.	Request the bank to clarify what is the additional expenditure mentioned in this clause	The RFP clause is self explanatory. Requirement stands as per RFP.
22	Page No.23 Clause No.21 Order cancellation (Termination)	UCO BANK reserves the right to recover any dues payable by the selected bidder from any amount outstanding to the credit of the selected bidder, including the pending bills and/or invoking the bank guarantee under this contract.	The penalty is levied for the deficiency in service provided as per this RFP requirement. Hence request the Bank to recover the amounts only against the amount outstanding against this RFP.	Requirement stands as per RFP
23	Page No.24 Clause No.23. Liquidated damages	Notwithstanding UCO Bank's right to cancel the order, liquidated damages for late delivery at 1% (One percent) of the undelivered portion of the order value per week will be charged for every week's delay in the specified delivery schedule subject to a maximum of 10% of the value of the order value. Liquidated damages for late commissioning at 1% (One percent) of the order value per week will be charged for every week's delay in commissioning to a maximum of 10% of the value of the order value.	Request the bank to clarify the difference between late delivery and late commissioning	Late delivery means late delivery of the POS Machines and Late commissioning means POS machines delivered but not made live/operational.

24	Page No.24 Clause No.23. Liquidated damages	Notwithstanding UCO Bank's right to cancel the order, liquidated damages for late delivery at 1% (One percent) of the undelivered portion of the order value per week will be charged for every week's delay in the specified delivery schedule subject to a maximum of 10% of the value of the order value. Liquidated damages for late commissioning at 1% (One percent) of the order value per week will be charged for every week's delay in commissioning to a maximum of 10% of the value of the order value.	Request the bank to consider the Liquidated damages at the terminal level and not at overall value of the order	Requirement stands as per RFP
25	Page No.24 Clause No.26. Penalty	The Selected bidder shall be charged penalty for not adhering to the time schedule of delivery/installation/make terminal operational at the rate of Rs. 100/- per day per POS/EDC terminal, subject to a cap of 10% of the value of terminals (Notional Value of the terminals to be indicated by the bidder in the bill of material) or Rs.1000/- per terminal whichever is higher.	There is also a liquidated damages for delayed deployment. This appears to be a duplicative and penalizing the vendor for the same delay in deployment. Hence request the Bank to remove this clause.	Requirement stands as per RFP
26	Page No.24 Clause No.26. Penalty	The Selected bidder shall be charged penalty for not adhering to the time schedule of delivery/installation/make terminal operational at the rate of Rs. 100/- per day per POS/EDC terminal, subject to a cap of 10% of the value of terminals (Notional Value of the terminals to be indicated by the bidder in the bill of material) or Rs.1000/- per terminal whichever is higher.	Request the Bank to clarify where to quote the notional value per terminal as there is no provision for quoting for it in the commercial template	The subject stands modified as under: "The Selected bidder shall be charged penalty for not adhering to the time schedule of delivery/installation/make terminal operational at the rate of Rs. 100/- per day per POS/EDC terminal, subject to a cap of 10% of the value of terminals or Rs.1000/- per terminal whichever is higher.



27	Page No.25 Clause No.26. Penalty	Though the expected uptime level is 100 %, the minimum acceptable level of system uptime is 98% in Metro and urban centres and 96% in other centres to be computed on a monthly basis subject to verification by the Bank or through its authorized representative.	This is contradictory with clause 25 uptime. Request the Bank to clarify.	The said clause should be read as follows:" The bidder shall guarantee an uptime of 99.95% for the POS Terminals which shall be calculated on monthly basis"
28	Page No.29 Clause No.41. Format for commercial offer	The short listed bidder has to keep the finalized price valid for a period of one year from the date of the purchase order.	This is contradictory with clause 13.2 where it is stated that the prices quoted by the bidder in the price bid shall be valid during the entire contract period. We assume that the bidder needs to keep the finalized price valid for a period of one year from the date of PO. Request the Bank to confirm.	The subject clause should be read as follows: "The short listed bidder has to keep the finalized price valid for the entire contract period ".
29	Page No.36 Clause No. Commercial bid template	Monthly Rent quoted by Bidder (in Rs.) (Inclusive of all Applicable Taxes) (A) and No increase in costs, duties, levies, taxes, charges, etc, irrespective of reasons (including exchange rate fluctuations, etc.) whatsoever, shall be admissible during the currency of the contract.	The bidder would not be privy to the changes in the tax structure or any new taxes that might get introduced in future. Hence request the Bank to consider prices exclusive of all taxes.  As per the recent budget there are significant changes to the applicable service tax rates. The government is yet to notify the applicability of the change and the effective date. We will not privy to the rates that are applicable to the services to be rendered as part of the RFP. Hence request the bank to consider prices exclusive of all taxes.	The bidder has to quote the prices strictly as per the Commercial Template with existing applicable taxes as on bid response date. In case of change in quoted tax structure during contract period, Bank will discuss the same with the selected bidder and matter will be decided mutually. The applicable taxes will be at actual at the time of resultant billing.
30	Page No.36 Clause No. Commercial bid template	Total cost of ownership in figures/ Total cost of ownership in words	We assume that this refers to total C ie marks allotted according to Weightage factor ( $C = A * B$ ). Request the Bank to confirm.	Understanding is true. The TCO( Total Cost of Ownership will be decided on the basis of sum of Serial No. 1,2,3 & 4 of Column C of the commercial format.
31	Page No.36 Clause No. Commercial	Note 5- Service Provider will not recover any charge either from the Merchant or Bank except above.	Both the clause are contradictory. We assume that the Bank would share the net revenue with the vendor. Request the	The subject clause mentioned under note-5 is modified as under: "Note 5-Service Provider will not recover any

	bid template - Note 5 and Note 7	Note 7 -Net Revenue earned by the Bank (after adjustments of amount payable) will be shared with the L1 vendor in 60:40 ratio (60 to Bank & 40 to vendor). However, if no net income earned, no amount would be shared with the vendor.	Bank to confirm.	charge either from the Merchant except above"
32	Page No.36 Clause No. Commercial bid template - Note 7	Note 7 -Net Revenue earned by the Bank (after adjustments of amount payable) will be shared with the L1 vendor in 60:40 ratio (60 to Bank & 40 to vendor). However, if no net income earned, no amount would be shared with the vendor.	Request the Bank to clarify how net revenue will be arrived and what are the adjustments that will be made.	Requirement stands as per RFP.
33	Page No.10 Clause No.7. Eligibility criteria	The Bidder should have installed and be maintaining at least 5,000 POS terminals on Pan India basis.	Request the Bank relax the criteria as follows: "The Bidder / partner should have installed and be maintaining at least 5,000 POS terminals on Pan India basis."	Requirement stands as per RFP.
34	Page No.10 Clause No.7. Eligibility criteria	Bidder should have experience of "Fraud and Risk" Management for POS Acquiring business with at least one scheduled commercial Bank. The following capabilities needs to be available as part of Risk and Fraud Management. 1. Transactions monitoring in Real time/Near Real time through an automated rule mechanism. 2. Alert Management Team with 24*7*365 presence. 3. Expertise in identification of changes in market trends, merchant behavior patterns. 4. Capability to hold the merchant payments in case of suspicion. 5. Expertise in creation of rules and implementing the same with	Since Fraud and Risk Management is not an elaborate and common offering. While the bidder can have the capability, request the Bank to waive this criteria from the eligibility.	Requirement stands as per RFP.

		minimum false positive ratios.		
35	Page No.14 Clause No.8. BROAD SCOPE OF THE WORK	8.11 Before finalizing the service provider, technically shortlisted vendors would be required to demonstrate a proof-of-concept (POC)	Request the Bank to clarify the scope of POC and the duration of POC.	It is clarified that during POC) which will happen before opening commercials), bidders would be required to demonstrate the functioning of POS machines in test environment for a period of 4-5 days.
36	Page No.18 Clause No. b ) Responsibilities of Bidder	Back-end transaction processing viz., capturing of transaction from POS terminals, routing it to issuer through VAP/MIP/NPCI/bilateral interface etc., obtaining response from issuer and transmitting back the response to the merchant.	With reference to the point 27 [pg 18] where the settlement with the interchanges will be done directly by the Bank, can the bidder use the existing VAP/MIP/NPCI connectivity of the Bank.	NO. Bidders to have their own separate connectivity arrangement with VISA, Master Card and NPCI for settlement and interchanges etc.
37	Page No.18 Clause No. b) Responsibilities of Bidder	32. If at a later date, the POS terminals are available with separate PIN pad to facilitate PIN entry by the Cardholder; such additions shall be made in all the terminals deployed by the bidder.	Trust the Bank is expecting the terminals to have pin pads to facilitate Pin at POS transactions.	The RFP clause is self explanatory. Requirement stands as per RFP.
38	Page No.24 Clause No.25. UPTIME	The bidder shall guarantee an uptime of 99.95% for the POS Terminals which shall be calculated on quarterly basis. The 'Uptime' is equal to total contracted hours in a quarter less Downtime.	Point 26.4 [pg 25] refers to the acceptable uptime calculation on a monthly basis and the penalty amount also to be calculated on monthly basis. Please clarify if in one month the uptime is lower than the acceptable uptime, however in the consecutive 2 months the uptime is higher than the acceptable uptime, request the Bank to clarify if such a scenario would attract penalty.	It is clarified that bidder to guarantee an uptime of 99.95% for the POS terminals to be calculated on monthly basis (quarterly average).
39	Page 6	Introduction	Vendor to manage 10,000 POS – is 10,000 POS already existing in market or the numbers for future prediction for acquisition.	It is clarified that the selected vendor would be required to deploy 10000 POS Machines and manage the same as per scope of work during the entire contact period.
40	Page 8	Submission of Offer	We understand the hard copy is meant for physical document and Soft copy is a scan copy and duplicate copy is an extra	It is clarified that Hardcopy (Main & Duplicate) is needed as physical document which should be signed

			set for spare. Need confirmation on the same.	and stamped by the authorised signatory. The softcopy should contain technical documents, technical / functional responses / compliances etc which will help the Bank in the evaluation.
41	Eligibility Criteria – point-5 – page 9	Eligibility Criteria	<p>This is a very restrictive condition and should be removed. This clause clearly states that the bidder should be preferably Original Equipment Manufacturer (OEM) or the bidder should have an arrangement with OEM. In this age where technology obsolescence is very high the bidder should be given the freedom to choose new vendors and technologies during the contract period. The industry practice is a Purchase Order is raised from time to time by the service provider to the terminal vendors.</p>	<p>It is clarified that in the eligibility criteria it is mentioned that Bidder should be preferably an Original Equipment Manufacturer (OEM). If not then the bidder should be an authorized representative / distributor of OEM in India or should have tied up arrangement with a manufacturer of POS terminals. The tie up arrangement must be at least prior to the date of submission of bid. But the bidder is required to submit the Manufacturer Authorisation Form (MAF) valid for the entire contract period along with the bid.</p> <p>However, Bank has also stated that Change of POS terminals of any other leading industry make / model is permitted during the contract period, with prior approval of the Bank. The POS terminals should meet the technical specifications set out in the RFP.</p>
42	Eligibility Criteria , Point-6 ,Page 9	Eligibility Criteria	Work Experience of handling PC based with one scheduled commercial bank and Amex should be relaxed.	Please refer to response given at Srl. No.2
43	Eligibility Criteria – point-9 – page 10	Eligibility Criteria	A bidder with pre-existing arrangement with a switch provider should be eligible to bid. This will enable more service providers to bid.	Please refer to response given at Sr. No. 3 and be guided accordingly.

44	Point-13 , Page 11 (sub point2)	Eligibility Criteria	Alert management team with 24x7x365 presence. Risk management, which is system driven runs 24*7 but the risk analyst team will look into the data and take corrective action before money is settled with merchant. This is the industry practice.	It is clarified that Bidder is required to bear Fraud and Risk liability and provide effective Fraud and Risk Management Services addressing of chargeback, if any arises will be the responsibility of the bidder and all other issues like collection of charge slips, making representation etc shall also be managed by the bidder.
45	Point-8.1– page 12	Broad scope of work	As per industry practise, Banks are responsible for acquiring BIN and the service provider (bidder) would provide necessary support for the same.	It is clarified that  The selected bidder will be responsible to arrange for the Acquirer Bin with Visa, MasterCard and NPCI for the Bank' s POS acquiring business. Bank may also ask the selected vendor to arrange BIN for AMEX within the contract period, if required.
46	Point-8.3.8 – Page 12	Broad scope of work	Card Payment application used must be PA-DSS compliant. PA-DSS – Switch will be PA-DSS compliant. In case of service provider developing their own software (compared to those who use POS Application provided by vendor) need not obtain PA-DSS. This is as per PA-DSS guidelines. Hence service providers who develop own POS application should be exempted from PA-DSS. Please clarify.	If it is as per PA-DSS guidelines then the same will be acceptable to Bank. However, Bidder to attach the copy of relevant PA-DSS guidelines for Bank's reference.
47	Point-8.3.10 – page 13	Broad scope of work	Page 13 – point 8.3.10 – POS at fuel stations should be PESO certified and certificate to be produced – PESO – most of the international POS provider do not have PESO certification. Service providers are dependent on the hardware vendor for this certification. These certificates are to be obtained by the terminal vendors. Can this rule be relaxed for now.	It is clarified that POS at fuel stations should be PESO certified and certificate to be produced either by the Bidder or hardware vendor.

48	Point-8.3.11 – page 13	Broad scope of work	Page 13 – point 8.3.11 – SP should be able to deploy NFC terminals - NFC- adding NFC antenna would increase the cost of POS. Are the Service Providers expected to deploy POS with NFC sensors from day 1 or is it enough if the POS is compatible and upgradable at a later time? The cost of adding NFC antenna will have to be worked out at that point in time	Please refer to response given at Sr. No. 10 above.
49	Point-8.8 – page 13	Broad scope of work	Page 13 – point 8.8 receipt generation to be in both Hindi and English, is this mandatory?	Yes.
50	Page 14	Broad scope of work	Page 14 – technically qualified bidder has to do POC (proof of concept) only up on proving the commercial bid would be open? What is the time frame and what is expected from the bidder during proof of concept?	It is clarified that during POC) which will happen before opening commercials), bidders would be required to demonstrate the functioning of POS machines in test environment for a period of 4-5 days.
51	Point 2,4 & 8 page 14	Responsibilities of bidder	Page 14 roles and responsibilities – point 2 identification of merchants and subsequently point 8 advertising and marketing, vendor takes responsibility along with bank. Our experience says that Bank plays a major role in selection of vendors and marketing activity related to the same. Vendors can board the merchants identified by the Bank. Clarification is required on this. Point 4 scrutiny of application by vendor and approval by bank, this has to be relaxed or changed that scrutiny and approval has to be provided by the bank.	The advertisement, Branding & marketing of the POS Business will be done by Bank's Retail Department and vendor jointly.  It is the responsibility of the bidder to identify & select the merchant, scrutinize the application and submit to Bank for approval. Bank will assist the vendor by providing leads & referrals of the Merchants through Branch network.
52	Point b sub point 1 page 16	Responsibilities of bidder	Arrangements for providing acquiring BIN will be done by bidder. As per industry practise, Banks are responsible for acquiring BIN and the service provider (bidder) would provide necessary support for the same.	Please refer to response given at Sr. No.50.

53	Point b sub point 2 page 16	Responsibilities of bidder	Bidder is required to bear Fraud and Risk liability – Normal industry practice is the liability of Risk and Fraud is with the bank. The service provider undertakes to perform the risk management through efficient advices on holding the amount, representing the disputes etc. Hence, request the bank to relax this clause.	Please refer to response given at Sr.No.49.
54	Point b sub point 22 page 17	<p>Responsibilities of bidder:</p> <p>The Service Provider must have a Merchant Helpdesk 24x7x365 for attending to the queries of the merchants. Bidder shall also handle the settlement and payment related queries by the Merchants of the Banks. Must host a web portal for merchants where they can login and view their details, payment status, download statements, lodge and track complaints and upload documentary proofs.</p>	<p>Service provider must have a merchant helpdesk 24x7x365. Normal transactions happen between 9 AM – 11 PM service providers can have the help desk on all 365 days between this time. Between 11PM to 9 AM the calls will be managed through automated voice response system. Request you to relax this clause.</p> <p>Also in the same clause it is mentioned that merchant should be able to login and see through portal this would require tremendous effort of having more than 10,000 logins for all merchants. The service provider will send the account statement on daily basis and any further specific queries of merchants would be answered through help desk</p>	<p>The subject clause stands modified as under:</p> <p>"The Service Provider must have a Merchant Helpdesk 24x7x365 for attending to the queries of the merchants &amp; settlement &amp; payment related queries. Service Provider should have the merchant helpdesk for attending the queries of the merchants for transactions happen between 8AM-11PM. Between 11PM to 8 AM, the calls to be managed through automated voice response system" The service provider should provide the merchants with web portal where they can login and view their details, payment status, download statements, lodge and track complaints and upload documentary proofs or service provider will send the account statement on daily basis and any further specific queries of merchants would be answered through help desk.</p>

55	Clause 10 , Page 19 point 10.1	Schedule of Requirement	Bank intends to avail services for merchant acquiring business on Monthly rental model along with monthly incentives, Can we have a bit more clarity on this clause please?	Please refer to query response given at Sr. No 9 above.
56	Clause 10 , page 19 point 10.3, & 10.4	Schedule of Requirement	Already a query has been raised with eligibility criteria.	Query is incomplete.
57	Clause 10 , page 19 point 10.5	Schedule of Requirement	Cost relating certification of POS terminals need to be borne by bidder – In general industry practice is that any model which is first time certified for acquiring BIN, the cost is borne by the acquiring BIN ( Bank ) and not the service provider. This clause may be removed.	Requirement stands as per RFP.
58	Clause 10 , page 19 point 10.6	Schedule of Requirement	Already a query has been raised along with bidder's responsibility page 16.	Query is incomplete.
59	Clause 11 , page 20	Payment Terms	Can we have a clear date for payment terms as the current terms is not reflecting the same either in days or weeks from the date of receiving the invoice	It is clarified that Payment terms shall be on Monthly basis, based on invoices provided by the bidders to the Bank for the POS terminals deployed by the Bidder at Merchant locations. The payment will be released from the Bank' s BPR & BTD Head Office on submission of the required document mentioned in the RFP under payment terms / authority. The payment would be made within one month after receipts of bills, if the same are in order in all respect.
60	Clause 13 page 20 point 13.1	Price	Prices payable to bidder shall be fixed and not subject to adjustment during performance of contract, irrespective of reasons whatsoever, including.... This clause needs relaxation, as the taxes are	It is clarified that bidder need to quote the prices inclusive of all taxes including excise, customs and other duties / levies.



			out of control of any individual entity and the fixed price in the commercial BID can only be exclusive of taxes. Please amend this clause.	In case if there is change in Service tax, Sales Tax / VAT, WCT, Octroi and entry tax during contract period, if applicable will be paid at actual at time of resultant billing.
61	Clause 13 page 20 point 13.4	Price	Revenue will be shared with L1 Vendor... Need clarity on this revenue sharing is only from transaction income and fixed rates given in commercial BID will not be subject to this clause. Need more clarity on how the revenue share will happen?	Please refer to response given at Sr. No.9
62	Clause 14 page 21	<b><u>Performance Guarantee</u></b> The Bank will require the selected bidder to provide a Performance Bank Guarantee, within 15 days from the date of acceptance of the order or signing of the contract whichever is earlier, for a value equivalent to 10% of the total cost of ownership. The Performance Guarantee should be valid for a period of 39 (36Months +3 Months Claim Period) months.	What constitutes the cost of ownership to arrive at performance guarantee figure? Kindly clarify.	It is clarified that Performance Bank Guarantee of 10% of total cost of ownership would be required which will be L1 Cost (Total Cost Of Ownership) arrived at as per Commercial Format given in RFP.
63	Clause 20 Page 22	Contract period	The selected L1 bidder undergoes lots of costs and efforts post his appointment by the bank, hence 2 month notice period on a 5 year contract term without assigning any reasons for termination needs to be relaxed.	Requirement stands as per RFP.
64	Clause 21 page 22	Order Cancellation	Same point as above, the bidder need to be given sufficient notice and time to respond if there are any and rectify if there are any deviation from the set processes. Kindly look into this point.	Requirement stands as per RFP.
65	Clause 24 Page 24	Acceptance tests	Selected bidder must test the terminal in presence of merchants – we request that this clause be relaxed as it is in the best interest of bidder as well as bank to launch a scalable and successful POS	Technically short-listed bidders have to demonstrate a proof-of-concept (POC) before opening of the commercial bids and finalization of the service provider. Commercial

			acquisition programme. Bidders must have the systems and processes in place to install the terminal.	<p>Bids will be opened only for the bidders who will successfully demonstrate the proof-of-concept (POC). Any decision of the Bank in this regard will be final and binding upon the bidders.</p> <p>The selected bidder in presence of the Merchant Owner will conduct acceptance test of POS Terminals at the site. The test will involve installation and commissioning and successful operation of the POS Terminals.</p>
66	Clause 25 Page 24	Uptime	If uptime is less than 98% in a quarter the bank can cancel the contract. – Every bidder will ensure that the machine is working and is up always when switched on but due to certain unforeseen situations the down time happens. In case of severe hardware problem and replacement of the terminal, the merchant is active but terminal is down will come down below 98%. Hence this clause needs relaxation and mutual discussion and rectification should be included. Kindly consider	Requirement stands as per RFP

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Penalty Clause page 24  
26

Turn Around Time for Installation and repairs of PoS/EDC terminals is as under:

Area	Turn Around Time for installation of PoS/ EDC terminal after approval from the Bank.	Turn Around Time for repair of PoS/EDC terminal after lodging complaint by the merchant
Metro and Urban	2 days	24 hours
Semi-Urban	5 days	48 hours
Rural	7 days	72 hours

Proposed:  
Normally after the bank provides us the lead we validate the lead by calling the merchant and confirming all the details present in the installation order. The completion of this process is dependent on the merchant also. After the lead is validated we create the parameters, prepare the terminal and test before dispatching which is a 2 day process. Therefore the Turn Around Time should be calculated after lead validation and should be as given in the table below.

Similarly for repairs, the cases are assigned to our Field service engineers the previous night so that they can plan their day therefore the TAT should be as given in the table below

Area	Turn Around Time for installation of PoS/ EDC terminal after approval from the Bank.	Turn Around Time for repair of PoS/EDC terminal after lodging complaint by the merchant
Metro and Urban	5 days	48 hours
Semi-Urban	7 days	72 hours
Rural	9 days	96 hours

The subject clause stands modified as under:

The turnaround time for installation & repair/ rectification of POS(EDC) Terminals is as follows:

Area	Turn Around Time for installation of PoS/ EDC terminal after approval from the Bank.	Turn Around Time for repair of PoS/EDC terminal after lodging complaint by the merchant
Metro and Urban	2 days	24 hours
Semi-Urban	5 days	48 hours
Rural	7 days	72 hours

1. The Selected bidder shall be charged penalty for not adhering to the time schedule of delivery/installation/make terminal operational at the rate of Rs. 100/- per week per POS/EDC terminal, subject to a cap of Rs.1000/- per terminal.

2. Penalties at the rate of Rs 100 per day per POS/EDC will be levied on selected bidder in case the POS/EDC is down for more than 24 hours in metro and urban areas, more than 48 hours in a semi-urban

				and 72 hours rural area (after lodgement of complaint). These penalties will be applicable if terminal is not working because of any reason attributable to the service provider / bidder which could, inter-alia, include malfunctioning of the POS/EDC machine, non-availability of consumables, non- operation of Server of the service provider, or due to deficiency or non-availability of services as stated in the scope of work
68	Clause No. 30 Page 27	Authorized signatory	If the directors have signed the minutes does this need to be authorized by the company secretary? Kindly relook at this clause	Accepted with Board Resolution
69	-----	General Query	Bidders have requested that Bank should subvent that MDR (Merchant Discount Rate) should never be less that the Transaction cost.	Query not admissible.
70	Page No. 16, Clause No. 10	All merchants enrolled / on-boarded must be installed with new machines only.	Bidders have requested to modify the clause as "All merchants enrolled / on-boarded must be installed with the machines in working conditions."	It is clarified that bidder to supply/install new machine at time of Merchant on Boarding (new merchant acquired by the Bank). However, reuse POS machines can be re-deployed only if such machines were earlier deployed in Bank's merchant establishments and in working condition. Bidder has to guarantee an uptime of 99.95 % for all deployed POS machines.
71	Page No. 13, Clause 8.6, Page No. 10, Clause No. 6	The bidder should also have the capability to provide DCC (Dynamic Currency Convertor) facility.	Bidders have requested to remove the clause.	Requirement stands as per RFP

72	<p>Bidder should have experience of "Fraud and Risk" Management for POS Acquiring business with at least one scheduled commercial Bank. The following capabilities needs to be available as part of Risk and Fraud Management.</p> <ol style="list-style-type: none"> <li>1. Transactions monitoring in Real time/Near Real time through an automated rule mechanism.</li> <li>2. Alert Management Team with 24*7*365 presence.</li> <li>3. Expertise in identification of changes in market trends, merchant behavior patterns.</li> <li>4. Capability to hold the merchant payments in case of suspicion.</li> <li>5. Expertise in creation of rules and implementing the same with minimum falls positive ratios.</li> </ol>	<p>As part of Merchant Payment/ settlement in the Merchant Management System, hold-and-release functionality can be utilized to reduce fraud. Since only a few leading banks have their presence in the merchant acquiring business, elaborate risk and fraud management practice is not implemented/ used commonly. Our Company is in the process of evaluating and implementing a robust fraud management system for all the hosted service offerings. Once this is implemented, company can offer this service to banks to support various delivery channels.</p> <p>While the quantum of fraud in merchant POS in India has been negligible, with introduction of PIN @ POS, this has reduced further.</p> <p>Hence request the Bank to relax the criteria as follows:</p> <p>"The Bidder should be capable of implementing a 'fraud and risk management' for POS acquiring business within 6 months from the date of the order."</p> <p>Also request the Bank to remove the need for a reference letter from a Bank.</p>	Requirement stands as per RFP.
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**Note:** The selected vendor will be required to sign an Integrity Pact (IP) with the Bank as per recent CVC guidelines for which format would be shared on a later date with the selected vendor. All the prospective bidders to note that the Last date of Bid submission which was originally on 28/05/2015 **is hereby extended upto 05/06/2015 (Friday) upto 4:00 PM** and Eligibility and Functional and Technical Bids will be opened on the same day at **4:30 PM**. All other terms and conditions given in the RFP will remain unchanged.

**Place: Kolkata**

**Date: 20.05.2015**