



UCO BANK

Department of Information Technology

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

RFP REF NO: UCO/DIT/473/2015-16 Date: 19/06/2015

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 |
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| 1 | Page No. 5, Control Sheet | Earnest Money Deposit : Rs.50,00,000/- in the form of BG | 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? Normally banks are expecting EMD for Rs.5,00,000/- in the form of BG. Kindly consider our request. | The subject clause stands modified as under: "Earnest Money Deposit : Rs.10,00,000/- in the form of BG in favour of UCO Bank valid for 180 days to be submitted along with the Bid. Any Bid submitted without EMD will entail Bid rejection. |
| 2 | Page No. 6, Objective | The distribution of POS Machines will be as follows: 1. PSTN----->40% 2. GPRS----->40% 3. PC Based--->10% 4. MPoS----->10% | Deployment of POS given as 40% PSTN, 40% GPRS, 10% PC-Based and 10% MPoS, 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 37. | Requirement stands as per RFP |
| 3 | Page No. 8, Clause No. 6 | SUBMISSION OF OFFER – TWO BID SYSTEM | We understand the hard copy is meant for physical document and Soft copy is a scan copy and duplicate copy is an extra set for spare. Need confirmation on the same | Understanding is true. |

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| 4 | Page No. 9, Clause No. 5 | 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. | 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. Annexure V on page 36 has to be looked into which is in connection with this point | It is clarified that 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 terminal would at the discretion of the Bank. It will be responsibility of the Bidder to ensure that new proposed POS terminals meets all technical and functional specifications set out in the RFP. |
| 5 | Page No.10, Clause No. 7 | "The bidder is required to set up service centres at stations where UCO Bank is having Zonal Offices/Circle Office offices " | This a very restrictive condition, as Service providers are already having SLAs with respect to the performance, this clause may be relaxed | Irrespective of the availability of the service centre at respective locations, it will be responsibility of the selected vendor to maintain the desired uptime of 99.95% for the POS Terminals which shall be calculated on Monthly basis as mentioned in the RFP. Service Provider must have network monitoring facility and ensure connectivity of POS machines to ensure its desired uptime by regular monitoring and maintenance failing which penalty will be applicable. |
| 6 | Page No. 11, Clause No. 13 | "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. Clarity required on Holding merchant payments which is the responsibility of the service provider, as they should have the complete control on the amount to be held and released? | The subject clause stands modified as under: "Alert management team OR robust Fraud & Risk Management Software with 24x7x365 presence". It is further clarified that Bidder is required to bear Fraud and Risk liability and provide effective Fraud and Risk Management Services addressing of chargeback, hold and release of funds. If any arises will be the responsibility of the |

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| | | | | bidder and all other issues like collection of charge slips, making representation etc shall also be managed by the bidder. |
| 7 | Page No. 12, Clause No. 8.1 | "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. " | 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. Alternatively, selected bidder may take required BIN in the name of the Bank, however entire expenses related to procurement & its maintenance including Fraud and Risk liability will borne by the vendor during the entire contract period. |
| 8 | Page No. 12, Clause No. 8.3.8 | "Card payment application / infrastructure used must be PA-DSS Compliant." | 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. |
| 9 | Page No. 13, Clause No. 8.3.10 | The POS terminals for fuel merchants should be PESO (Petroleum and Explosives Safety Organisation) certified/compliant. A latest certificate to be enclosed in this regard | 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. The POS Terminal for fuel Merchants should be PESO (Petroleum and Explosive Safety Organization) OR ATEX (Directive 94/9/EC) certified/compliant. | It is clarified that POS at fuel stations should be PESO / ATEX (Directive 94 / 9 /EC) certified/compliant certified and certificate to be produced either by the Bidder or hardware vendor. |

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| 10 | 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. | 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. Request the bank to clarify whether this feature is required in all the terminals | It is clarified that NFC based terminal deployment is future requirement. Accordingly, it has been stated that service provider should be able to deploy NFC (Near Field Communications) terminals consequently its systems should be compatible / upgradable to process the transactions through NFC cards in near future as per RBI guidelines at no additional to the Bank during the entire contract period. |
| 11 | Page No. 13, Clause No. 8.8 | POS Terminal receipt should be generated in Bilingual (Hindi and English). | Is it mandatory? | Yes |
| 12 | Page No. 14, | "Bidders may note that 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 Bids will be opened only for the bidders who will successfully demonstrate the proof-of-concept (POC)." | What is expected from the bidder during proof of concept? Under test environment for 4-5 days, is on which location and how this has to be done, a detailed note is required with clarification. | 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 at the branches designated by the Bank. |
| 13 | Page 14, Clause No. 2,4,5,8,21 Page No. 15 Clause No. 33 | Roles & Responsibilities | 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. Scrutiny of application will be done by the vendor and approval will be given by bank. It is further added that any new merchant |

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| | | | | referred by the selected vendor and accepted by the Bank does minimum Rs1 Lac business per month, in such case Bank will pay to vendor an additional 25% of the rental amount fixed for particular type of machine (PSTN, PC-POS, GPRS, M-POS) deployed at the merchants establishment. |
| 14 | Page 14, Clause No. 2,4,5,8,21 Page No. 15 Clause No. 33 | Roles & Responsibilities | Point 5 Merchant master data entry into portal by Vendor, this need to be relaxed as the portal would be available with the branch and data entry and approval will be through the portal of the bank branch. Kindly clarify. | Requirement stands as per RFP |
| 15 | Page 14, Clause No. 2,4,5,8,21 Page No. 15 Clause No. 33 | Roles & Responsibilities | Point 21 Dispatch of account statement to merchants in Hard copy. Keeping in mind the green environment and go green concept soft copy will go through mail from the service provider. Kindly relax this point. | It is clarified that Dispatch of account statement to merchants will be in Soft Copies. However, if the merchant wishes to opt for hard copies then bidder will be required to send the statement in hard copies without any additional cost to Bank. |
| 16 | Page 14, Clause No. 2,4,5,8,21 Page No. 15 Clause No. 33 | Roles & Responsibilities | Point 33 Portal for merchants need to be clarified as the Bank expects about 10,000 merchant signups and that would mean 10,000 logins, where portal can get clogged. Kindly clarify. | Requirement stands as per RFP |
| 17 | Page No. 16, Clause No. b, sub point 1, Page No. 17, Clause No. 4 | Responsibility of bidder | <p>Arrangements for providing acquiring BIN will be done by bidder.</p> <p>As per industry practise, Banks are responsible for acquiring BIN and the service provider (bidder) would provide necessary support for the same.</p> <p>Sub point 4 page 17 – yearly cost towards renewal related to acquiring BIN as per industry practice is borne by the Banks. Kindly relax the same.</p> | <p>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.</p> <p>Further, the yearly cost towards renewal of the Acquiring Bin License will be borne by the selected bidder only. Hence bidders are requested to quote the commercials accordingly.</p> |

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| 18 | Page No. 16, Clause No. b, sub point 2 | 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. | It is clarified that Bidder is required to bear Fraud and Risk liability and provide effective Fraud and Risk Management Services addressing of chargeback, hold and release of funds, 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. |
| 19 | Page No. 18, Clause No. b, sub point 22 | Responsibility of bidder | In this 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. | 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. |
| 20 | Page No. 20, Clause No. 10.2,10.3 &10.4 | <p>10.2 Bidder is expected to source the merchants from Market at its own and as well as on the basis of the leads provided by the Bank.</p> <p>10.3 Bidder must have their own switch fully certified by concerned agencies for routing of transactions. Bidders have to provide end to end solution to Bank as per "Scope of Work".</p> <p>10.4 All cost, including Bin Charges to VISA/Master card/NPCI and its certification charges by what so ever name it is called, shall be borne by the bidder.</p> | Already a query has been raised with eligibility criteria | Requirement stands as per RFP. |
| 21 | Page No. 20, Clause No. | All the certification charges of their | Cost relating certification of POS terminals need to be borne by bidder- In | Requirement stands as per RFP |

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| | 10.5 | switch & POS Terminals need to be borne by the bidder | 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 | |
| 22 | Page No. 20, Clause No. 10.6 | Bidder is required to bear Fraud & Risk Liability and provide effective Fraud & Risk management services. Addressing of charge backs if any arises, will be to the account of the bidder and all other issues like collection of charge slips, making representation etc shall also be managed by the bidder | Already a query has been raised with eligibility criteria | <p>It is clarified that Bidder is required to bear Fraud and Risk liability and provide effective Fraud and Risk Management Services addressing of chargeback, hold and release of funds, 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.</p> <p>It is further clarified that bidder will be solely responsible if fraud occurs due to Bidders system / Machine / Terminal failure / shortcomings or by involvement of their personnel.</p> |
| 23 | Page No. 20, Clause No. 11 | 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. |
| 24 | Page No. 21, Clause No. 12 | Paying Authority | Installation, acceptance and operational report for POS duly signed by merchant along with invoice, this clause need to be relaxed. As the installation happens and merchant transactions happen and test transaction is completed, the installation process is completed, 10,000 merchants signature, hardcopy etc. will be tedious and will go against the go green concept. Kindly remove this condition. | Requirement stands as per RFP Clause. |
| 25 | Page No. 21, Clause No. 13.4 | Price Clause | Revenue will be shared with L1 Vendor... Need clarity on this revenue sharing is only from transaction income and fixed | It is clarified that after adjustment of all payouts to selected vendor from the revenue generated through POS |

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| | | | <p>rates given in commercial BID will not be subject to this clause.</p> <p>Will the service provider have a say on the fixation of MDR as the net commission is on sharing model as per RFP?</p> <p>The Cost associated with the transactions are dynamic and how the bank proposes to earn income out of this and share it with Service providers?</p> <p>What is the protection given to service providers if all transactions does not earn any net commission?</p> | <p>business, Bank will share the net commission earned through POS Business with the selected vendor on monthly basis, between Bank and selected vendor in the ratio of 60% (Bank) and 40% (Vendor). If there is no net income earned by the Bank then NO amount will be shared by the Bank.</p> |
| 26 | Page No. 21 Clause No. 14 | Performance Guarantee | <p>What constitutes the cost of ownership to arrive at performance guarantee figure? Kindly clarify.</p> | <p>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.</p> |
| 27 | Page No. 23 Clause No. 20 | Contract period | <p>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</p> | <p>Requirement stands as per RFP</p> |
| 28 | Page No. 23 Clause No. 21 | Order Cancellation | <p>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.</p> <p>Point 21 D also states about timelines, There has to be clear clarity on the time frame for acquiring BIN etc. without which timelines to commence the POS operations would be a question. Kindly look into this.</p> | <p>Requirement stands as per RFP</p> |
| 29 | Page No. 24 Clause No. 23 | Liquidated Damages | <p>Liquidated damages talks about % value on order value. Need clarification on how this is to be arrived at?</p> | <p>The RFP clause is self explanatory.</p> |

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| 30 | Page No. 24 Clause No. 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 acquisition programme. Bidders must have the systems and processes in place to install the terminal. | 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. | | | | | | |
| 31 | Page No. 25 Clause No. 25 | 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 | | | | | | |
| 32 | Page No. 24 Clause No. 26 | <div>Turn Around Time for Installation and repairs of PoS/EDC terminals is as under:</div> <table><tr><td>Area</td><td>Turn Around Time for installation of PoS/ EDC terminal after approval from the Bank.</td><td>Turn Around Time for repair of PoS/EDC terminal after lodging complaint by the merchant</td></tr><tr><td>Metro and Urban</td><td>2 days</td><td>24 hours</td></tr></table> | 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 | 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 | Requirement stands as per RFP |
| 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 | | | | | | | | |

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| | | Semi-Urban | 5 days | 48 hours | | 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 | | | | | |
| | | Rural | 7 days | 72 hours | | | | | | | | | |
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| | | | | | Metro and Urban | 5 working days | 48 hours | | | | | | |
| | | | | | Semi-Urban | 7 working days | 72 hours | | | | | | |
| | | | | | Rural | 9 working days | 96 hours | | | | | | |
| 33 | Page No. 27 Clause No. 30 | 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 | | | | | |
| 34 | Page No. 13, Clause No. 8.6 | The bidder should also have the capability to provide DCC (Dynamic Currency Converter) facility. | | | Request to remove this clause | | | It is clarified that provision for having DCC (Dynamic Currency Converter) facility is desirable but not mandatory. | | | | | |
| 35 | Page No. 17 Clause No. 10 | All merchants enrolled/on boarded must be installed with new machine only. | | | Kindly amend as follows : 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 | | | | | |
| 36 | Page No.11 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 | | | 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 | | | | | | | | |

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| | | <p>Fraud Management.</p> <ol style="list-style-type: none"> 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 minimum falls positive ratios. | <p>have their presence in the merchant acquiring business, elaborate risk and fraud management practice is not implemented/ used commonly. Bidder is in the process of evaluating and implementing a robust fraud management system for all the hosted service offerings. Once this is implemented, bidder 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> | <p>Requirement stands as per RFP.</p> |
| 37 | Page No.7 Clause No.4. EMD | EMD - 50,00,000 | Request the bank to reduce the EMD to 10 Lacs in line with other RFPs in the industry | "Earnest Money Deposit : Rs.10,00,000/- in the form of BG in favour of UCO Bank valid for 180 days to be submitted along with the Bid. Any Bid submitted without EMD will entail Bid rejection. |
| 38 | Page No.12 Clause No.8. | 8. BROAD SCOPE OF THE WORK | Request the bank to clarify Number of terminals already deployed by the bidder Number of merchants already on | 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 |

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| | | | boarded by the bank Number of transactions clocked by the bank per day per terminal | prices as per Commercial Bid Template given in the RFP document i.e Annexure-VI. Any alternation / deviation in the commercial format will get summarily rejected. Bidders are also requested to attach the Masked Commercial Bid (without price) along with technical document. |
| 39 | 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 | |
| 40 | 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 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. | 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 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 & 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. Bidders to quote as per the line item given in the commercial format. |
| 42 | 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. | Request the bank to clarify the relevance of eligibility criteria No. 5 (making arrangements with terminal vendors before the submission) | It is clarified that in the eligibility criteria it is mentioned that Bidder should be preferably an Original Equipment Manufacturer (OEM). If not |

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| | | However, approval of change in terminal would at the discretion of the Bank. | considering the bank is allowing the bidder to change the make/model during the contract period | 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. 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. |
| 43 | Page No.14 Clause No.9. Roles & Responsibilities | 9.2 Identification of Merchants, sign up | 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. It is further added that any new merchant referred by the selected vendor and accepted by the Bank does minimum Rs1 Lac business per month, in such case Bank will pay to vendor an additional 25% of the rental amount fixed for particular type of machine (PSTN, PC-POS, GPRS, M-POS) deployed at the merchants establishment. |
| 44 | Page No.14 Clause No.9. Roles & 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. |
| 45 | Page No.16 | Bidder is required to bear Fraud and | We assume that the fraud and risk | It is clarified that bidder will be solely |

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| | Clause No.9. Roles & Responsibilities | 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. | related liability will arise only in case where the fraud/risk occurs because of the bidder related system failure. Request the bank to confirm. | responsible if fraud occurs due to Bidders system / Machine /Terminal failure / shortcomings or by involvement of their personnel. |
| 46 | Page No.18 Clause No.9. Roles & 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. |
| 47 | Page No.18 Clause No.9. Roles & 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. |
| 48 | Page No.21 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. |
| 49 | Page No.21 Clause No.13. Price - 13.4 and Note 7 of | Revenue sharing with L1 bidder - Bank will share the net commission earned through POS Business with the selected vendor on monthly | Request the bank to clarify how the net commission will be arrived at? | It is clarified that after adjustment of all payout to selected vendor from the revenue generated through POS business, Bank will share the net |

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| | the commercial bid template | basis, after adjustment of amount payable to selected vendor in the ratio of 60% (Bank) and 40% (Vendor). | | commission earned through POS Business with the selected vendor on monthly basis, between Bank and selected vendor in the ratio of 60% (Bank) and 40% (Vendor). |
| 50 | 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. |
| | Page No.23 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 sole discretion by giving two month" s notice without assigning any reasons. | 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. |
| 51 | Page No.23 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 sole discretion by giving two month's 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. | Requirement stands as per RFP. |
| 52 | 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 | Requirement stands as per RFP |
| 53 | Page No.23 Clause No.21. Order cancellation | In this event, the selected bidder is bound to make good the additional expenditure, which UCO BANK may have to incur in executing the | Request the bank to clarify what is the additional expenditure mentioned in this clause | Requirement stands as per RFP |

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| | (Termination) | balance contract. | | |
| 54 | 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 |
| 55 | 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. |
| 56 | Page No.23 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 weeks delay in the specified delivery schedule subject to a maximum of | Request the bank to consider the Liquidated damages at the terminal level and not at overall value of the order | It is clarified that liquidated damages for late delivery at 1% (One percent) of the undelivered portion / terminal wise of the order value per week will be charged for every weeks delay in the specified delivery schedule subject to a maximum of 10% of the value of the order value Rs.1000/- per terminal whichever is higher. |

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| | | 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. | | |
| 57 | Page No.25 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. | |
| 58 | Page No.26 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. |
| 59 | Page No.25 Clause No.26 | Though the expected uptime level is 100 %, the minimum acceptable level of system uptime is 98% in | 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 |

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| | Penalty | 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. | | which shall be calculated on monthly basis |
| 60 | Page No.37 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. | 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. |
| 61 | Page No.37 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. | As per the recent budget there are significant change to the applicable service tax rates. We will hence not privy to the rates in future that are applicable to services to . Hence request the bank to consider prices exclusive of all taxes. | |
| 62 | Page No.37 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. |
| 63 | Page No.37 Clause No. Commercial bid template - Note 5 and Note 7 | Note 5- Service Provider will not recover any charge either from the Merchant or Bank except above. 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 | Both the clause are contradictory. We assume that the bank share the net revenue with the vendor. Request the Bank to confirm. | It is clarified that " 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. ". However, the bidders will be paid the Monthly Rental as per rates quoted by them in the Sr. No. 1,2,3 & 4 of the Commercial Template Annexure-VI |

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| | | no net income earned, no amount would be shared with the vendor. | | |
| 64 | Page No.37 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. | It is clarified that after adjustment of all payouts to selected vendor from the revenue generated through POS business, Bank will share the net commission earned through POS Business with the selected vendor on monthly basis, between Bank and selected vendor in the ratio of 60% (Bank) and 40% (Vendor). |

Note: The selected vendor may be required to sign an Integrity Pact (IP) with the Bank as per recent CVC / IBA guidelines, for which format would be shared on a later date with the selected vendor. All other terms and conditions given in the RFP will remain unchanged

Place: Kolkata

Date: 04-07-2015

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