

RFP Reference No. INSP-01.1/2014

Revised Request for Proposal (RFP)

**FOR
I S Audit of
Core Banking System / Functionality
&
ATM Project
At various locations of
BANK OF MAHARASHTRA**



**Bank of Maharashtra
Central Office, 'LOKMANGAL'
1501, Shivaji Nagar
Pune – 411 005**

Cost of Tender Document: Rs.5000/-

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1. Invitation for Tender Offers

Bank of Maharashtra invites sealed tender offers (Technical bid and Commercial bid) from eligible, reputed firms/Companies for:

- Conducting I. S. Audit of –
 - a) Core banking System / Functionality
 - b) ATM Project

The Core Banking System consists of following applications

Sr No	Name of the Application	Operating System	Database	Version No	As At	Details
1	B@ncs24 by TCS			9.1	31.01.2014	Main Core Banking application
2	C S Exim Bills –Trade Finance			Version CX3.00302-Release 2	31.01.2014	
3	Oracle Applications			(version 11.5.2.10)	31.01.2014	General Ledger
4	Interfaces				31.01.2014	
5	Any other application/s concerned with CBS				31.01.2014	

- Branch Audit i.e. Environment and procedure audit of five sample branches from Pune or Mumbai.
- Review of expectations of Zonal Office, and Head Office Departments – from CBS, usage of CBS in their controlling function and level of fulfillment of expectations. Sample Zonal offices will be chosen for this review from Pune or Mumbai.

The ATM Project consist of –

A) 502 ATMs under end to end outsourcing model where the vendor viz. FSS carried out the following activities including owning the ATMs

- Switches
- Cash Management
- ATM Monitoring 24 X 7
- Card Management – Visa Debit Card (Link to NFS / VISA)
- Reconciliation of entries
- Caretaker Services

B) 570 ATMs through Ministry of Finance (MOF) initiative by eight Vendors viz. AGS, EPS, TCPSL, FIS, FSS, NCR, Mphasis, PRIZM etc.

- ATMs owned by them
- Monitoring & Management services by Vendor
- Switching by FSS.

ATMs from Chennai, Pune and Mumbai are expected to be examined during audit.

A complete set of tender documents may be purchased by eligible bidder upon payment of a non-refundable fee of Rs.5000/-(Rupees Five thousand only) by demand draft/ banker's cheque in favour of Bank of Maharashtra and payable at Pune.

Bid Collection & Submission –

Tender Reference Number	INSP-01.1/2014
Price of Tender Copy	Rs.5000/-
Earnest Money Deposit	Rs.1,00,000/-
Date of Commencement of sale of tender document	19/03/2014
Last date of sale of tender document	05/04/2014 up to 3.00 p.m.
Queries, if any, to be mailed by	25/03/2014
Pre-Bid meeting with Bidders	27/03/2014 at 3.00 p.m.
Last Date and Time for receipts of tender offers	05/04/2014 upto 3.00 p.m.
Time & Date of Opening of technical bids	05/04/2014 upto 4.00 p.m.
No. Of Envelopes (Non-window, sealed) to be submitted	Three (3) Envelopes <u>Envelope 1 containing:</u> Technical Bids as per point no. 4.1 (Submit hard copy & soft copy in CD) <u>Envelope 2 containing:</u> Commercial Bid as per point no. 4.1 (Only one bid to be kept) <u>Envelope 3 containing:</u> DD or Bank Guarantee towards cost of EMD.
Address for Communication	The Assistant General Manager, Bank of Maharashtra Inspection & Audit Deptt. 1501 Lokmangal, Shivajinagar, Central Office, Pune – 411 005.
Place of Opening tender offers	Bank of Maharashtra 1501 Lokmangal, Shivajinagar, Central Office, Pune – 411 005.
Contact Telephone Numbers	020-25520408, 25520407 fax- 020-25520472

Earnest Money Deposit must accompany with tender offers as specified in this tender document. EMD amount/Bank Guarantee in lieu of the same should not be mixed with Technical/Commercial Bid; it should be in separate cover to be handed over to the department.

Tender offers will be opened in the presence of the bidder representatives who choose to attend the opening of tender on the above-specified date, time and place.

Technical specifications, Terms and conditions, various formats and proforma for submitting the tender offer are described in the tender document.

Assistant General Manager
Inspection and Audit

PUBLIC TENDER NO. : INSP-1.1/2014

- 1) The RFP is posted on Bank of Maharashtra's official website **www.bankofmaharashtra.in** Bank of Maharashtra reserves the right to change the audit requirements. However, any such changes will be posted on web site.
- 2) Bidders are advised to study the tender document carefully. Submission of bids shall be deemed to have been done after careful study and examination of the tender document with full understanding of its implications.
- 3) The gist of pre-bid meeting will be posted on Bank of Maharashtra's website. Hence before submitting bids, bidder must ensure that such clarifications / changes have been considered by them. Bank of Maharashtra will not have any responsibility in case some omission is done by any bidder.
- 4) In case of any clarification required by Bank of Maharashtra to assist in the examination, evaluation and comparison of bids Bank of Maharashtra may, at its discretion, ask the bidder for clarification. The response / Clarification shall be in writing and no change in the price of substance of the bid shall be sought, offered or permitted.
- 5) Please note that all the information required as per the bidding document needs to be provided. Incomplete information in these areas may lead to non-selection.
- 6) Modification And / Or Withdrawal of Bids:
Bids once submitted will be treated, as final and no further correspondence will be entertained. No bid shall be modified after the deadline for submission of bids. No bidder shall be allowed to withdraw the bid, if bidder happens to be the successful bidder.
- 7) Bank of Maharashtra has the right to reject any or all tenders received without assigning any reason whatsoever.

NOTE:

BANK OF MAHARASHTRA SHALL NOT BE RESPONSIBLE FOR NON-RECEIPT / NONDELIVERY OF THE BID DOCUMENTS DUE TO ANY REASON WHATSOEVER.

2. Background

2.1 About Bank of Maharashtra

Bank of Maharashtra is a public sector bank having its Head Office in Pune.

Bank of Maharashtra has been the bank of the common man and his family, right from its formation in the year 1935. The objectives of maintaining consistently high standards of safety and efficiency, keeping away from dishonest practices and speculation and making available the banking facilities to the common man for promoting thrift, encouraging banking habits and developing trade and industry were the driving forces behind the formation of the bank. The concern for common man and his interest is firmly imbibed in the corporate philosophy of today's Bank of Maharashtra.

The bank made steady progress and has become a household name. Based on its performance and standing, the bank was granted autonomy in the year 1998. Bank of Maharashtra has stood the test of time and continues to prosper in today's competitive environment. From a humble beginning in 1935, nationalized in 1969 it has grown into one of the major banks in India with 1879 branches.

2.2 About Core Banking Solution

Bank of Maharashtra has acquired and implemented banking software viz. B@ncs24, a core banking solution (Version – 9.1) from Tata Consultancy Services Limited. All 1879 branches are connected to the CBS. The Central Data Center of the Bank and the CBS Project Management Office of the Bank are located at Pune. The DR site is located at Hyderabad.

The core banking solution has a centralized database. A small part of database related to front-end application/s is also hosted at hardware at branches. The branches are connected to the Central Data Center through gateway PCs located at the branches.

The CBS currently supports following delivery channels

- Automated Teller Machines (ATMs),
- Internet Banking and
- Mobile Banking
- RTGS & NEFT

The software for General Ledger of the CBS is Oracle Applications (version 11.5.2.10). The Bank also uses a Trade Finance Solution – Exim bills (Version CX3.00302-Release 2) - from China Systems. The operating system is Unix (Version 5.3 AIX-ML5)

2.3 About ATM Project –

A) 502 ATMs under end to end outsourcing model where the vendor viz. FSS carried out the following activities including owning the ATMs

- Switches
- Cash Management
- ATM Monitoring 24 X 7
- Card Management – Visa Debit Card (Link to NFS / VISA)
- Reconciliation of entries
- Caretaker Services

B) 570 ATMs through Ministry of Finance (MOF) initiative by eight Vendors viz. AGS, EPS, TCPSL, FIS, FSS, NCR, Mphasis, PRIZM etc.

- ATMs owned by them
- Monitoring & Management services by Vendor
- Switching by FSS.

ATMs from Chennai, Pune and Mumbai are expected to be examined during audit.

3. Introduction and Disclaimers

3.1 Purpose of RFP

The purpose of RFP is to short list Auditor for conducting Functionality Audit of CBS Application Software – B@ncs24 & ATM Project Audit based on

1) Conformity with Minimum Eligibility Criteria 2) Technical bid 3) Commercial bid.

3.2 Information Provided

The Request for Proposal document contains statements derived from information that is believed to be relevant at the date but does not purport to provide all of the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with Bank of Maharashtra. Neither Bank of Maharashtra nor any of its employees, agents, contractors, or advisers gives any representation or warranty, express or implied, as to the accuracy or completeness of any information or statement given or made in this document. Neither Bank of Maharashtra nor any of its employees, agents, contractors, or advisers has carried out or will carry out an independent audit or verification exercise in relation to the contents of any part of the document.

3.3 Disclaimer

Subject to any law to the contrary, and to the maximum extent permitted by law, Bank of Maharashtra and its officers, employees, contractors, agents, and advisers disclaim all liability from any loss or damage (whether foreseeable or not) suffered by any person acting on or refraining from acting because of any information including forecasts, statements, estimates, or projections contained in this RFP document or conduct ancillary to it whether or not the loss or damage arises in connection with any negligence, omission, default, lack of care or misrepresentation on the part of Bank of Maharashtra or any of its officers, employees, contractors, agents, or advisers.

3.4 Costs to be borne by Respondents

All costs and expenses incurred by Respondents in any way associated with the development, preparation, and submission of responses, including but not limited to; the attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by Bank of Maharashtra, will be borne entirely and exclusively by the Respondent.

3.5 No Legal Relationship

No binding legal relationship will exist between any of the Respondents and Bank of Maharashtra until execution of a contractual agreement.

3.6 Recipient Obligation to get informed itself

The Recipient must conduct its own scrutiny and analysis regarding any information contained in the RFP document and the meaning and impact of that information.

3.7 Evaluation of Offers

Each Recipient acknowledges and accepts that Bank of Maharashtra may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for short listing / selecting the eligible vendor(s). The RFP document will not form part of any contract or arrangement, which may result from the issue of this document or any scrutiny or review, carried out by a Recipient.

3.8 Errors and Omissions

Each Recipient should notify Bank of Maharashtra of any error, omission, or discrepancy found in this RFP document.

3.9 Acceptance of Terms

A Recipient will, by responding to Bank of Maharashtra for RFP, be deemed to have accepted the terms of this Introduction and Disclaimer.

3.10 Lodgment of RFP

RFP submission:

RFP document submission is required to be done as stated in this RFP.

- Faxed copies of any submission are not acceptable and will be rejected by the Bank.
- All copies of RFPs and attachments must be provided in sealed envelopes.
- If the submission does not include all the information required or is incomplete, the proposal is liable to be rejected.

All submissions, including any accompanying documents, will become the property of Bank of Maharashtra. Recipients shall be deemed to license, and grant all rights to Bank of Maharashtra to reproduce the whole or any portion of their submission for the purpose of evaluation, to disclose the contents of the submission to other Recipients and to disclose and/or use the contents of the submission as the basis for any resulting RFP process, notwithstanding any copyright or other intellectual property right that may subsist in the submission or accompanying documents.

Bank of Maharashtra will not answer any communication initiated by Respondents after 25/03/2014. However, Bank of Maharashtra may, in its absolute discretion, seek additional information or material from any Respondents after the RFP closes and all such information and material provided must be taken to form part of that Respondent's response.

Respondents should provide details of their Fax, email and full address(s) to ensure that replies to RFP could be conveyed promptly.

If Bank of Maharashtra, in its absolute discretion, deems that the originator of the question will gain an advantage by a response to a question, then Bank of Maharashtra reserves the right to communicate such response to all Respondents.

Bank of Maharashtra may, in its absolute discretion, engage in discussion or negotiation with any Respondent (or simultaneously with more than one Respondent) after the RFP closes to improve or clarify any response.

3.11 Notification

Bank of Maharashtra will notify all short-listed Respondents in writing as soon as practicable about the outcome of their RFP. Bank of Maharashtra is not obliged to provide any reasons for any such acceptance or rejection.

3.12 Disqualification

Any form of canvassing/lobbying/influence/query regarding short listing, status, etc will be a disqualification.

4. Instructions to bidders

4.1 Two Stage Bid System Tender

Address for Communications

Bank's Address
Assistant General Manager, Inspection & Audit Bank of Maharashtra, 'Lokmangal' 1501 Shivajinagar, Pune – 411 005.

4.2 Instructions for Tender Submission

1. Bidders are permitted to submit only one Technical Bid and relevant Commercial Bid. More than one Technical and Commercial Bid should not be submitted. The Technical and Commercial bids should be put in separate covers and all such covers shall be delivered at the address mentioned above.
2. The bidder shall submit the Commercial bid inclusive of the applicable taxes as per the format given in Annexure – 7 Commercial Bid Format.
3. The bidders shall have to bear the cost of participating in the bidding process and submission of the bids regardless of the conduct or outcome of the tendering process.
4. Signed hard Copies along with the soft copies of the Bids shall be delivered as per the procedure mentioned in sealed covers as per the time schedule. Bids may be sent by registered post or by hand delivery, so as to be received at the address given above in the tender schedule. Bids sent through e-mail shall not be accepted and shall not be treated to have been submitted in time. The timely receipt of only soft Copy shall not entitle the bidder to be eligible for the process.
5. Receipt of the bids shall be closed as mentioned in the bid schedule. Bids received after the scheduled closing time will not be accepted by the bank under any circumstances. Bank will not accept bids delivered late for any reason whatsoever including any delay in the postal service, courier service or delayed bids sent by any other means.
6. The technical bids will be opened as mentioned in bid schedule.
7. The bidders or their authorized representatives may be present at the time of the opening of the technical bid. Only two persons per bidder will be allowed to be present at the time of the opening the technical bids. No bid shall be rejected at bid opening stage, except for bids received late.
8. One hard copy and one soft copy on compact disk, of the Technical Bid and One Copy of the Commercial Bid must be submitted at the same time, giving full particulars in separate sealed envelopes at the Bank's address given above on or before the schedule given above. All envelopes should be securely sealed and

stamped. **The sealed envelope containing Commercial Bid must be submitted separately to the Bank.**

4.3 General Guidelines

1. The offers should be made strictly as per the formats specified.
2. A declaration may be given by the bidder stating that "No relative of the bidders is working in the Bank of Maharashtra ". If anyone working in the Bank of Maharashtra is related to the bidders, the name, designation and the department where the person is posted may be given. A declaration regarding the same shall be submitted in the format as per Annexure 10
3. The bid should not contain interlineations, erasures or over-writings. Corrections or alterations made before submission if any shall be initialed /signed by the person/s signing the bid.
4. The bidder is expected to examine all instructions, forms, terms and conditions and technical specifications in the Bidding Documents. Failure to furnish all information required by the Bidding Documents or submission of a bid not substantially responsive to the Bidding Documents in every respect will be at the Bidder's risk and may result in rejection of the bid.
5. No rows or columns of the tender should be left blank. Offers with insufficient information and Offers which do not strictly comply with the stipulations, are liable for rejection.
6. Bank may at its discretion abandon the process of the selection of Bidder anytime before notification of award.
7. Bank may at its discretion go ahead with finalization of vendor even if Bank receives response to this Bid from single Vendor.
8. All information (bid forms or any other information) to be submitted by the bidders shall also be submitted as a softcopy (preferably in Microsoft – Word 2007 format on a CD) and should be kept in the respective sealed covers. The soft copy submission should be an exact replica of the hard copy submission and should include scanned copy of all the relevant documents including signatures/company seal wherever present on the hard copy. The bidders may note that no information is to be furnished to the bank through e-mail except when specifically requested and such queries are to be confirmed in writing.
9. The bank reserves the right to change / advance or post-pone the pre-bid conference date. However, in case of such change bidders will be informed the date of pre-bid conference in advance to submit their queries to the bank seeking clarification.
10. The bids will be opened in the presence of authorized representatives of the bidders. However, the representative of the bidder has to produce an authorization letter from the bidder to represent them at the time of opening of Technical/Commercial bids. Maximum two representatives will be allowed to represent any bidder. In case the bidder's representative is not present at the time of opening of bids, the quotations/bids will still be opened at the scheduled time at the sole discretion of the bank.

All the envelopes must be super scribed with the following information –

- Type of Offer- **I.S. Audit of Core Banking System Functionality & ATM Project Audit** (Technical Bid, Commercial Bid)
- Tender Reference Number **INSP01.1/2014**
- Due Date 05/04/2014
- Name of Bidder
- Name of the Authorized Person
- Contact number and email-ID of the bidder.

All schedules, Formats and Annexure should be stamped and signed by an authorized official of the bidder's company/ Firm.

The bidder will also submit copy of the RFP duly stamped and signed on each page by the authorized official of the bidder's Company/ Firm.

ENVELOPE- I (Technical bid)

The Technical bid should be complete in all respects and contain all information asked for except prices. The TECHNICAL BID should include all items asked for in Annexure-2. The Technical bid should not contain any price information. The TECHNICAL BID should be complete to indicate that all products and services asked for are quoted and should give all required information. A Xerox copy of original commercial offer with prices duly masked be submitted along with the Technical Bid.

ENVELOPE- II (Commercial Bid)

The Commercial bid should give all relevant price information and should not contradict the TECHNICAL BID in any manner. A Xerox copy of the Commercial Bid duly masking the prices be submitted along with the Technical Bid.

The prices quoted in the commercial bid should be without any conditions. The bidder should submit an undertaking that there are no deviations to the specifications mentioned in the RFP either with the technical or commercial bids submitted.

These two envelopes containing the Technical bids and Commercial bid should be separately submitted. Please note that if any envelope is found to contain both technical and commercial bid, then that offer will be rejected outright.

All the covers thus prepared should indicate clearly the Name and Address of the Vendor.

The bidder shall bear all the costs associated with the preparation and submission of the bid and Bank of Maharashtra will in no case be responsible or liable for those costs, regardless of the conduct or the outcome of the tendering process.

Bids submitted without EMD and Application Fee Demand Draft will not be considered for evaluation.

Bids sent by fax or e-mail will not be considered for evaluation.

4.4 Annexures to the Tender

The tender comprises of following schedules / Annexure-

- Annexure 1 – Format of Covering Letter
- Annexure 2 – Bidder's Information

Annexure 3 – Proforma of Bank Guarantee for Earnest money
Annexure 4 – Scope of Work
Annexure 5 – Commercial Bid
Annexure 6 – Format of CV for the Professionals to be involved in the CBS Application Audit
Annexure 7 – Checklist of Documents to be submitted

4.5. Eligibility Criteria

The bidders, who fulfill the eligibility criteria mentioned in “Qualification Criteria” of the tender will only, be eligible for further process i.e. technical evaluation.

4.6. Terms and Conditions

Terms and conditions for bidders who participate in the tender are specified in the section called “Terms and Conditions”. These terms and conditions will be binding on all the bidders. These terms and conditions will also form a part of the purchase order, to be issued to the successful bidder(s) on the outcome of the tender process.

4.7 Non-transferable Tender

This tender document is not transferable. Only the bidder, who has purchased this tender form, is entitled to quote.

4.8 Applicable Law

The Contract shall be governed and interpreted in accordance with the Indian Laws.

4.9 Soft Copy of Tender document

The soft copy of the tender document will be made available on the bank’s website. However Bank of Maharashtra shall not be held responsible in any way, for any errors/omissions/mistakes in the downloaded copy. The bidder is advised to check the contents of the downloaded copy for correctness against the printed copy of the tender document. The printed copy of the tender document shall be treated as correct and final, in case of any errors in soft copy.

The bidders who are submitting the bid by downloading from the Bank’s official website will have to pay a non-refundable fee of Rs.5000/- by way of a demand draft / bankers’ cheque in favour of Bank of Maharashtra payable at Pune while submitting the bid.

4.10 Offer validity Period

The offer should hold good for a period of 180 days from the date of the opening of Commercial bid.

4.11 Address for Communication

Offers should be addressed to the following office at the address given below:

**Assistant General Manager
Inspection & Audit
Bank of Maharashtra
Central Office, “Lokmangal”
1501, Shivaji Nagar
Pune – 411005**

Email address for putting queries: **dgminsp@mahabank.co.in**
avinash.mulye@mahabank.co.in

4.12 Governing Language

All correspondences and other documents pertaining to the contract shall be in English.

4.13 Pre-Bid Meeting

For the purpose of clarification of doubts of the bidders on issues related to this RFP, Bank of Maharashtra intends to hold a Pre-Bid Conference on the date and time as indicated in the RFP. The queries of ALL the bidders should reach in writing or by e-mail on or before 27/03/2014 on the address as mentioned above. It may be noted that no queries of any bidder shall be entertained/ received after the Pre-Bid Conference. The clarifications given in the Pre-Bid meeting will be available on the Bank's Website.

Only the authorized representatives of the bidders who have purchased the RFP will be allowed to attend the Pre-Bid meeting.

4.14 Opening of Offers by Bank of Maharashtra

Tender offers received within the prescribed closing date and time will be opened in the presence of bidders' representatives who choose to attend the opening of the tender on the specified date and time as mentioned earlier in the tender document. The bidder's representatives present shall sign a register of attendance and minutes and they should be authorized by their respective companies to do so. A copy of the authorization letter should be brought for verification.

4.15 Scrutiny of Offers

Scrutiny of Bids will be in three stages as under:

➤ **Eligibility Criteria :**

Bank of Maharashtra will first scrutinize the eligibility of the prospective bidders as per "Eligibility criteria" mentioned in point no. 5 viz. "Qualification Criteria" mentioned in the RFP, based on the documents submitted. The offers of the bidders who fulfill the above eligibility criteria will be taken up for further scrutiny i.e technical evaluation.

➤ **Technical evaluation:**

Bank of Maharashtra will scrutinize the technical offers. Bank of Maharashtra will determine whether the technical details along with documents have been furnished as per RFP and whether items/services are quoted as per the schedules / annexure. The bidders who qualify in technical evaluation will only be short-listed for commercial evaluation. The technical evaluation will be done on the basis of the information provided in the "Bidder's Information" format along with supporting documents. The bidder will have to give presentation on the following points as a part of the technical evaluation.

1. Implementation of suggested audit methodology
2. Audit tools proposed to be used
3. Audit period for completion of the assignment
4. Deliverables
5. Project plan
6. Audit Team details such as qualifications, experience etc
7. Case study of any of the similar audits carried out in the past

8. Certificate of the public sector bank / Large Private Sector Bank as a proof for carrying out I.S. audit of CBS application and ATM Project Audit.

➤ **Commercial evaluation:**

Bank of Maharashtra will open and scrutinize the commercial offers of the technically qualified bidders only. The Commercial bids will have to be submitted in the format as per **Annexure-5**. Commercial bids should not have any alteration or overwriting. The bank may reject or load the financial implication of any alteration, if found into the commercial bid submitted by the respective bidder. The calculation arrived by the Bank will be final and will be binding on the bidders. If any cost items in the commercial bid are found to be blank and not filled with any amount then it shall be considered as zero and the same will be offered to the Bank free of any charges.

4.16 Clarification of Offers

To assist in the scrutiny, evaluation and comparison of offers, Bank of Maharashtra may, at its discretion, ask some or all bidders for clarification of their offer. The request for such clarifications and the response will necessarily be in writing.

4.17 No Commitment to Accept Lowest or Any Tender

Bank of Maharashtra shall be under no obligation to accept the lowest or any other offer received in response to this tender notice and shall be entitled to reject any or all offers including those received late or incomplete offers, without assigning any reason whatsoever. Bank of Maharashtra reserves the right to make any changes in the terms and conditions of the RFP. Bank of Maharashtra will not be obliged to meet and have discussions with any bidder, and or to listen to any representations.

4.18 Submission of Technical Detail

It is mandatory to provide the technical details in the exact format of **Bidder's Information as per Annexure-2**. The offer may not be evaluated by Bank of Maharashtra in case of non-adherence to the format or non-submission / partial submission of technical details as per the format given in the tender. Bank of Maharashtra will not allow/permit changes in the technical specifications once it is submitted. The relevant information, printed brochure, technical specification sheets etc. should be submitted along with the offer. Failure to submit this information along with the offer could result in disqualification (Please refer to the suggested checklist given in this document)

4.19 Format for Technical bid

The Technical bid must be made in an organized, structured and neat manner. Brochures/leaflets etc. should not be submitted in loose form. This can be divided into three parts – the first part should contain the documents supporting the eligibility of the vendor to participate in the tendering process as per the eligibility criteria mentioned in the RFP, the second part should contain the technical details of the proposed project and the third part should contain the technical brochures etc.

The suggested format for submission of Technical bid is as follows:

1. Index
2. Covering letter. This should be as per Annexure-1.
3. Details of the bidder, as per Annexure-2.
4. Compliance of eligibility criteria along with support documents in following format.

Sr.No	Short Description of Eligibility Criteria	Submitted Yes/No	Write figures wherever required
1	The bidder should be in existence for at least five years. Necessary proof to that effect is required such as Certificate of Constitution etc. issued by appropriate authority.		
2	Balance Sheets – 2010-11 2011-12 2012-13		
3	The applicant should be a profit making entity. Profit figure 2010-11 2011-12 2012-13		Profit: (Rs in Lacs)
4	Details of minimum five experts/Certified Resources with minimum one each from a) CISA/ CISSP b) BS 7799 LA/ ISO 27001		
5	IS Audit must either be a core activity of the bidder or carried out by a regular departmental set up of the bidder		
6	Necessary Certificates having executed orders of aggregate value of minimum Rs.100 lacs during last three financial year for Information Systems Audit including of CBS Application / Functionality Audit and ATM Project Audit (This certification is in addition to the copies of purchase orders enclosed)		
7	Experience of conducting I. S. audit assignments out of which at least one should be of CBS Application Functionality Audit and ATM Project Audit of at least one Public Sector Bank in India. Copy of letter of assignment & certification of satisfactory completion of assignment to be submitted.		
8	Whether involved directly or indirectly in implementing CBS Implementation Project or ATM Project of Bank of Maharashtra?		
9	Self-declaration for being not blacklisted by any government authority or organization		

The eligibility criteria will be verified based on above compliance table duly filled by the bidder along with the supporting documents.

5. The bidder should give undertaking that bidder complies/ accepts all terms and conditions stipulated in the RFP without any deviations.
6. Implementation methodology
7. Details of audit tools to be used during the audit.
8. Audit period
9. Deliverables

10. Project plan
11. Valid Bank Draft / Bank Guarantee in lieu of EMD (To be submitted in a separate envelope along with the Technical Bid.)
12. Bidder's Financial Details (audited balance sheets, annual reports etc.) and other supporting documents, as asked in the tender document
13. All documentary evidence wherever required to be submitted be properly arranged.
14. Copy of the Commercial Bid duly masking the price column.

Masked Commercial

The bidder should submit a copy of the actual price bid being submitted to the bank by masking the actual prices. This is mandatory. **The bid may be disqualified if it is not submitted.**

4.20 Format for Commercial bid

The Commercial bid must not contradict the Technical bid in any way. The suggested format for submission of Commercial bid is as follows:

- a. Index
- b. Covering letter
- c. Commercial Version of commercial bid document as per Annexure -5
- d. A statement that the bidder agrees with Payment terms given in the tender.

4.21 Costs & Currency

The offer must be made in Indian Rupees only, and price quoted must include all costs, taxes and levies.

4.22 Fixed Price

The Commercial bid shall be on a fixed price basis, inclusive of all taxes and levies at site as mentioned above. No price variation including those relating to increases in customs duty, excise tax, Service tax, dollar price variation etc. will be permitted.

4.23 No Negotiation

It is absolutely essential for the bidders to quote the lowest price at the time of making the offer in their own interest, as Bank of Maharashtra will not enter into any price negotiations, except with the lowest quoting bidder, whose offer is found to be fully technically compliant.

4.24 Short-listing of Bidders

Bank of Maharashtra will create a short-list of **technically qualifying bidders** and the **Commercial bids of only these bidders will be opened.**

4.25 Right to Alter location.

Bank of Maharashtra reserves the right to alter the proposed locations to be audited.

4.26 Repeat Orders

Bank of Maharashtra reserves the right to place repeat order/s on the bidder under the same terms and conditions within a period of six months from the date of acceptance of first order by the bidder. The bank reserves the right to re-negotiate the price with the bidder in case of downward revision of the prices.

5. Qualification Criteria

5.1 Eligibility of the Bidder

- 5.1.1 The Bidder should be a PSU/PSE/ partnership firm or a limited company either a Chartered Accountant firm or I.S. Audit firm having existence in India. The necessary certificates for example Certification of Incorporation in case Limited company, Registration Certificate along with the latest partnership deed in case of partnership firm should be submitted with the offer. In case of CA firm, the certificate of Constitution from ICAI, as of 01.01.2013 should be submitted with the offer.
- 5.1.2 The Bidder should be in existence for at least five years as on 31.01.2014. (In case of mergers/ acquisitions/ restructuring or name change, the date of establishment of earlier/ original Partnership Firm/ Limited Company can be taken into account)
- 5.1.3 The Bidder Company/ Firm should have made profits in the last three financial years i.e 2010-2011, 2011-2012 and 2012-2013. A copy of last three financial years' relevant audited balance sheets and profit and loss statements should be submitted with the offer.
- 5.1.4 The bidder should have executed orders for Information Systems Audit totaling to Rs.100 Lacs during last three financial years, out of which at least one audit assignment should be for CBS application audit and ATM Project Audit of public sector bank / Large Private Sector Bank. Necessary certificates to that effect should be enclosed.(The name appearing in the certificate shall be the same as the name of the bidder)
- 5.1.5 The Bidder should have minimum of five experts and certified resources with at least one from each of the following:
- CISA / CISSP
 - BS 7799 LA / ISO 27001
- 5.1.6 The Bidder should not be involved directly or indirectly in implementing CBS Project of the Bank.
- 5.1.7 The Bidder should not have been blacklisted by any Government department /PSU /PSE or banks. Self-declaration to that effect should be submitted along with the technical bid.
- 5.1.8 **The Company/ Firm shall be in computer Audit Business for the past 5 years and should have done the Information system Audit of a Core Banking System and ATM Project Audit in a Public Sector bank / Large Private Sector Bank, having implemented more than 200 branches at the time of Audit/ review. Certificate from the concerned bank to that effect shall be submitted.**
- 5.1.9 Domain Knowledge and Credentials
- The personnel involved in the audit should possess domain knowledge of retail, corporate, trade finance, corporate banking and other general banking operations. The proof as to his involvement in CBS application audit and ATM project Audit be enclosed.
 - Should have proven methodologies and approach for program governance and project monitoring.
- 5.1.10 The Bidder Company / Firm has to sign an Integrity Pact (as provided by CVC) with the Bank of Maharashtra as per CVC guidelines. Only those bidders, who have entered

into such an Integrity Pact with the Bank of Maharashtra, would be competent to participate in Bidding.

Along with the proposal the bio data of the persons doing the audit be submitted indicating their qualifications, professional experience and projects handled.

5.2 Earnest Money Deposit

Bidders are required to give a Demand Draft drawn in favour of Bank of Maharashtra, payable at Pune, (valid for 90 days from the due date of the tender) for Rs.1 lac (Rupees One lac only) as Earnest money Deposit (EMD) along with their offer. Offers made without E.M.D. will be rejected. Bank of Maharashtra will not pay any interest on the E.M.D. The Bank may accept Bank Guarantee in lieu of EMD for an equivalent amount issued by any Public Sector Bank other than Bank of Maharashtra or by any scheduled commercial bank acceptable to Bank of Maharashtra. In case of Bank Guarantee from other than Public sector banks prior permission of Bank of Maharashtra is essential. The BG should be valid for 6 months from the date of submission of the offer. The format of BG is enclosed.(Annexure 3)

6. Terms and Conditions

6.1 Project Timeline

The bidder has to adhere to the following time lines.

Stages	Particular	Period
Stage 1	Commencement of Audit work after placing of order	One week
Stage 2	Submission of audit plan/ procedure and methodology as per scope of work -after Stage 1	Two weeks
Stage 3	Submission of Interim report-after Stage 2	Six weeks
Stage 4	Submission of Final report after Stage 3	Two weeks
Stage 5	Submission of final compliance review report – after Stage 4	Three months

The total Project should be completed within Six months of placing of order.

6.2 Payment Terms

The successful bidder will have to give Performance Bank Guarantee for 10% of the total project cost, while submitting the acceptance of order. The validity of the Performance Bank Guarantee should be for 6 months, if required, it should be renewed till completion of the audit.

6.2.1 No advance payment would be made to the bidder

6.2.2 Any delay in Stage of completion as per schedule or deliverables will automatically result in delay of the corresponding payment and in addition the bank shall reserve the right to resort to any of the actions mentioned in point 6.3 of this document.

6.2.3 Payment Schedule

Payment Percentage	Stage of Completion
35%	Of the CBS Application/Functionality Audit & ATM Project Audit Fees on submission of Interim report
40%	Of the CBS Application/Functionality Audit & ATM Project Audit Fees on submission of Final report

25%	On submission of final review of compliance report covering all the points as per the scope of audit or three months of submitting final report whichever is earlier.
-----	---

6.3 Delay in I S Audit of Core Banking System Functionality & ATM Project Audit

The Auditor must strictly adhere to the audit schedule, as specified in the Contract, executed between the bank and the CBS System & ATM Project Auditor, pursuant hereto, for performance of the obligations arising out of the contract and any delay will enable the Bank to resort to any or all of the following at sole desecration of the bank.

- (a) Claiming Liquidated Damages
- (b) Termination of the agreement fully or partly

In addition to the termination of the agreement, Bank of Maharashtra reserves the right to appropriate the damages from the earnest money deposit (EMD) given by the bidder or invoke the Bank Guarantee given in lieu of EMD and/or invoke the bank guarantee given by the bidder against the advance payment. The Bank also reserves the right to black list the bidder and intimate the same in appropriate forums.

The Bank also reserves right to charge penalties and to claim damages for improper or incomplete execution of the assignment.

6.4 Liquidated Damages

The liquidated damages will be an estimate of the loss or damage that the bank may have suffered due to delay in performance of the obligations (under the terms and conditions of the contract) by the CBS System & ATM Project Auditor and the Auditor shall be liable to pay the Bank as liquidated damages at the rate of 0.25% of total contract value for delay of every week or part thereof. Without any prejudice to the Bank's other rights under the law, the Bank shall recover the liquidate damages, if any, accruing to the Bank, as above, from any amount payable to the Auditor either as per the Contract, executed between the Bank and the Auditor pursuant hereto or under any other Agreement/Contract, the Bank may have executed/shall be executing with the CBS System & ATM Project Auditors.

6.5 Indemnity

The CBS System Auditor & ATM Project Auditor shall, at their own expense, defend and indemnify the Bank against any claims due to loss of data / damage to data arising as a consequence of any negligence during CBS Application/Functionality Audit.

(i) The Bidder shall indemnify and hold harmless Bank of Maharashtra from and against any third party Claims arising out of the infringement of any third party's intellectual property rights caused by Bank of Maharashtra's use of the Bidder's deliverables provided that this indemnity shall not apply to in the following cases:

(a) the modification of the Bidder's deliverables provided hereunder by any person other than the Bidder or its personnel

(b) Bank of Maharashtra's failure to use any modification to the Bidder's deliverables made available by the Bidder where use of such modification would have avoided the infringement;

(c) information, materials instructions or specifications that are themselves infringing which are provided by or on behalf of Bank of Maharashtra or which Bank of Maharashtra requests or requires the Bidder to use; or

(d) the use of the Bidder's deliverables in a manner not agreed to hereunder;

Provided that Bank of Maharashtra gives the Bidder written notice of any such claim and sole control over the defense of any such claim.

In no event shall any the Bidder be liable for any loss of use, contracts, data, goodwill, revenues or profits or for any consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this contract or the services.

The Bidder will not be liable for losses arising as a result of the provision of false, misleading or incomplete information or documentation or the withholding or concealment or misrepresentation of information or documentation by any person other than a the Bidder.

6.6 Publicity

Any publicity by the bidder in which the name of Bank of Maharashtra is to be used should be done only with the explicit written permission of Bank of Maharashtra.

6.7 Force Majeure

The System Auditor or the Bank is not responsible for delays or non-performance of any contractual obligations, caused by war, blockage, revolutions, insurrection, civil commotion, riots, mobilizations, strikes, blockade, acts of God, plague or other epidemics, fire, flood, obstructions of navigation by ice of port of dispatch, acts of Govt. or public enemy or any other event beyond the control of either party which directly, materially and adversely affect the performance of any contractual obligation.

If a force majeure situation arises, the System Auditor shall promptly notify the Bank in writing of such conditions and the change thereof. Unless otherwise directed by the Bank, in writing, the System Auditor shall continue to perform his obligations under the contract as far as reasonably practiced and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

6.8 Resolution of Disputes

Bank of Maharashtra and the bidder shall make every effort to resolve amicably, by direct informal negotiation, any disagreement or dispute arising between them under or in connection with the contract. If after thirty days from the commencement of such informal negotiations, Bank of Maharashtra and the Bidder are unable to resolve amicably a contract dispute; either party may require that the dispute be referred for resolution by formal arbitration.

All questions, disputes or differences arising under and out of, or in connection with the contract, shall be referred to two Arbitrators: one Arbitrator to be nominated by Bank of Maharashtra and the other to be nominated by the Bidder. In the case of the said Arbitrators not agreeing, then the matter will be referred to an umpire to be appointed by the Arbitrators in writing before proceeding with the reference. The award of the Arbitrators, and in the event of their not agreeing, the award of the Umpire appointed by them shall be final and binding on the parties. THE ARBITRATION AND CONCILIATION ACT 1996 shall apply to the arbitration proceedings and the venue & jurisdiction of the arbitration shall be Pune.

6.9 Privacy and Security Safeguards

The successful Bidder shall not publish or disclose in any manner, without the Bank's prior written consent, the details of any security safeguards designed, developed, or implemented by the successful Bidder under this contract or existing at any Bank location. The successful Bidder shall ensure that all subcontractors who are involved in audit process shall not publish or disclose in any manner, without the Bank's prior written consent, the details of any security safeguards designed, developed, or implemented by the successful Bidder under this contract or existing at any Bank location.

6.10 Confidentiality

Successful bidder will be required to execute a Non-Disclosure and Confidentiality Agreement and similar other documents as may be desired by the Bank. It is an usual non-disclosure agreement. No changes in the same are acceptable.

6.11 Test site

- The bank will provide Test site at any of the offices of Bank of Maharashtra at Pune.
- The bank will provide 2 PCS, printer, 1 passbook printer, 1 web camera as and when required at the test site or at the branch
- Testing through any remote location with the help of remote access facilities will not be permitted / allowed.

7. Annexure

Annexure 1: Format of Tender offer cover letter

Date: _____ 2014

Tender Reference No.: _____

To:

Having examined the tender documents including all annexure the receipt of which is hereby duly acknowledged, we, the undersigned, offer to perform CBS System audit & ATM Project Audit at test site and at critical locations as mentioned in scope of work in conformity with the said tender documents in accordance with the Commercial bid and made part of this tender.

We understand that the RFP provides generic specifications about all the items and it has not been prepared by keeping in view any specific bidder.

If our tender offer is accepted, we undertake to commence the audit work within _____ (Number) days and to complete audit work as specified in the Contract within _____ (Number) days calculated from the date of receipt of your Notification of Award/Letter of Intent.

We agree to abide by this tender offer till 180 days from the date of tender opening and our offer shall remain binding upon us and may be accepted by the Bank any time before the expiration of that period.

Until a formal contract is prepared and executed, this tender offer, together with the Bank's written acceptance thereof and the Bank's notification of award, shall constitute a binding contract between us.

We understand that the Bank is not bound to accept the lowest or any offer the Bank may receive.

Dated this _____ day of _____ 2014

Signature: _____

(In the Capacity of:) _____

Duly authorized to sign the tender offer for and on behalf of _____

Annexure 2: Bidder's Information

1. Name
2. Constitution and year of establishment
3. Registered Office/Corporate office/Mailing Address
4. Names & Addresses of the Partners if applicable
5. Contact Person(s):
6. Telephone, Fax, e-mail
7. Number of CISA/ CISSP Qualified persons who would be involved in the Audit work along with names and experience.
8. Number of BS7799 lead auditors / ISO 27001 who would be involved in the Audit work along with the names and experience.
9. Qualified network professionals who would be involved in the Audit work, if required.
10. Proof of experience in CBS System Audit & ATM Project Audit. Please give details of the same including the details of services and the scope.
11. Describe Project Management methodology for the proposed CBS System Audit & ATM Project Audit assignment, clearly indicating about the composition of various teams.
12. Describe Audit Methodology and Standards to be used for CBS System Audit & ATM Project Audit.
13. Indicate Project Plan with milestones and the time frame of completion of different activities of the project.
14. List of Deliverables as per the 'Scope of Work'.
15. Specify that technical consultants who would be involved in the Audit work be certified on types of tools used for audit.
16. Details of the biggest Information Security Audit including the scope, service cost and details of services in last 3 years.
17. Any other related information, not mentioned above, which the Audit Company / Firm wish to furnish.

DECLARATION –

We hereby declare that the information submitted above is complete in all respects and true to the best of our knowledge. We understand that in case any discrepancy or inconsistency or incompleteness is found in the information submitted by us, our application is liable to be rejected.

Date:

Authorized Signatory

Note:

The Technical Bid shall include the detailed project plan corresponding to the deliverables as required by Bank of Maharashtra for the Project. The project plan should indicate the milestones and time frame of completion of the different activities of the project. The audit Company / Firm is required to give details of the project management methodology, Audit Standards and methodology along with the quantum of resources to be deployed for the project, in the technical bid. Resources and support required from the Bank may also be clearly defined

Annexure 3: Proforma for the bank guarantee for earnest money (If the format is different from given in RFP, prior approval of Bank is needed.)

Guarantee for Payment of Earnest Money/Security Deposit

Bank Guarantee no.:

Date

Period of Bank Guarantee: Valid upto

Amount of Bank Guarantee: Rs.

To,
Bank of Maharashtra,
Inspection & Audit Department,
1501, Lokmangal,
Shivajinagar, Pune 411005.

THIS DEED OF GUARANTEE made at thisday of between Bank of a banking company having its office at hereinafter referred to as 'the Bank' of the One Part and Bank of Maharashtra a New Bank constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 having its Head Office at 'Lokmangal' , 1501 Shivajinagar, Pune 411 005, hereinafter called the Beneficiary, of the other Part.

- a) Whereas the Beneficiary had invited tenders for ATM Project Audit and CBS System Audit at test site, Project Management Office and at branches etc. vide tender No --- ----- dated -----.
- b) One of the terms of the tender is that bidder are required to give a Demand Draft drawn in favour of beneficiary and payable at Pune, (valid for 180 days from the due date of the tender) for Rs 1 lac (Rs. One lac only) as Earnest money Deposit (EMD) along with their offer. The Beneficiary may accept Bank Guarantee in lieu of EMD for an equivalent amount issued by any Public Sector Bank, valid for 6 months from the date of issue.
- c) M/s hereinafter referred to as the said 'Contractors' have given their offer for CBS System Audit at test site, at project management office, 3 branches, one regional office, one circle office and Central Office departments and the said Contractors are required to deposit the said amount of earnest money (or security deposit) or to furnish bank guarantee.
- d) At the request of the said M/s..... the Bank has agreed to furnish guarantee for payment of the said amount of earnest money (or security deposit) in the manner hereinafter appearing :

NOW THIS DEED WITNESSETH that pursuant to the said tender and in consideration of the premises the Bank doth hereby guarantee to and covenant with the Beneficiary that the Bank shall, whenever called upon by the Beneficiary in writing and without demur and notwithstanding any objection raised by the said Contractor/s, pay to the Beneficiary the said amount of Rs.1 lac (Rupees One lac only) payable by the said Contractor/s under the said Contract.

AND IT IS AGREED and declared by the bank that the liability of the Bank to pay the said amount whenever called upon by the Beneficiary shall be irrevocable and absolute and the Bank will not be entitled to dispute or inquire into whether the Beneficiary has become entitled to forfeit the said amount as earnest money (or as security deposit) under the terms of the said contract or not and entitled to claim the

same or not or whether the said contractors have committed any breach of the said contract or not or whether the Beneficiary is entitled to recover any damages from the said contractors for breach of terms thereof or not.

Any such demand made by the Beneficiary shall be binding and conclusive as regards amount due and payable by the Contractor to the Beneficiary. And the Bank undertakes to pay unconditionally on written demand without demur and the claim of beneficiary shall be conclusive and binding as to the amount specified therein.

AND it is further agreed and declared by the Bank that any waiver of any breach of any term of the said contract or any act of forbearance on the part of the Beneficiary or any time given by the Beneficiary to the contractors for carrying out and completing the work under the said contract or any modifications made in the terms and conditions of the said contract or any other act or omission on the part of the Beneficiary which could have in law the effect of discharging a surety, will not discharge the Bank.

AND it is agreed and declared that this guarantee will remain in force until the time fixed in the said contract for completion of the said work or until the expiration of any extended time for such completion and shall be valid for a period of six months from the date hereof i.e. the guarantee shall be valid upto

AND it is agreed and declared that this Guarantee will be irrevocable and enforceable even if the contractor's Company/ Firm goes into liquidation or there is any change in the constitution of the said Company or management of the said Company/ Firm and shall ensure to the benefit of its successors and assigns and shall be binding on the successors and assigns of the Bank.

Notwithstanding anything contained herein:

- c) The liability of the Bank under this Bank Guarantee shall not exceed Rs._____. (Rupees _____).
- d) This Bank Guarantee shall be valid upto _____.
- e) Bank is liable to pay guaranteed amount or part thereof under this Bank Guarantee only and only if beneficiary serve upon as a written claim or demand on or before _____ (date of expiry of the Guarantee).

IN WITNESS WHEREOF the Bank has put its seal the day and year first hereinabove written.

Signed, sealed and delivered by Mr.....
For and on behalf of the Guarantor Do so and
to affix the seal of the Bank, in the presence of

Annexure 4: scope of work

1. LIST OF APPLICATIONS AND RELATED DATABASES TO BE COVERED FOR FUNCTIONALITY REVIEW

The Core Banking System consists of following

Sr No	Name of the Application	Operating System	Database	Version No	As At	Details
1	B@ncs24 by TCS			9.1	31.01.2014	Main Core Banking application
2	C S Exim Bills -Trade Finance			Version CX3.00302-Release 2	31.01.2014	
3	Oracle Applications			(version 11.5.2.10)	31.01.2014	General Ledger
4	Interfaces				31.01.2014	Internet Banking, Exim Bills, E Treasury, NEFT/RTGS, CPSMS, SB Account opening, Cash Deposit Machine Interface. Loan Document, PBP Kiosk, Pension Payment, NAREGA Payment, DBTL / ABPS, BCCI, BG-LC thru SFMS, Mobile Banking, 2FA Mahasecure, Mahapay, CGP.
5	Any other application / s concerned with Core Banking System				31.01.2014	

2. LIST OF FUNCTIONALITIES TO BE COVERED

Sr no	Details of Functionality	
1	All banking Products and Services	31.01.2014
2	All Non Fund Business	
3	All Anciliary business	31.01.2014
4	All Parabanking Functions e.g Insurance ,Demat etc.	31.01.2014
5	Any other functionality at the discretion of the bank	31.01.2014

All modules of all the applications as per list to be taken into account for Core Banking System functionality audit including ancillary modules viz. e-Treasury, EXIM Bills, Internet Banking & Mobile Banking, SMS Banking, IMPS, I@connect, NPS etc. Software functionality shall be tested to suggest measures, if any, required to be taken in view of following

The Auditor Company / firm shall seek guidance from the bank regarding any of the queries related to the Banking Business or Banks Policy Procedures

The scope of this I S audit is

- A complete review of the Core Banking System / Functionality Audit
- Branch Audit i.e. Environment and procedure audit of the three branches in Pune /Mumbai.
- Review of expectations of Sample Zonal Office, and Head Office departments – from Core Banking System, usage of Core Banking System in their controlling function and level of fulfillment of expectations to conduct an intensive diagnostic and planning service designed to check the critical components of our Core Banking System Application/Functionality.

3. LIST OF LOCATIONS TO BE COVERED

Sr No	Type of Location	No Of Locations	Place
1	All Departments of Head Office of the Bank at Pune	1	Pune
2	Core Banking System - Project Monitoring Office	1	Pune
3	Zonal Offices	3	Pune & Mumbai
4	General Branch	3	Pune
5	Specialized Branches	3	Pune & Mumbai
6	Data Centre	1	Pune
7	Disaster Recovery Site / Centre	1	Hyderabad

4. Purpose of the review:

To ensure the Core Banking System:

- Actually meet business requirements, as intended by Bank
- Operates appropriately
- Assists the user in performing their roles efficiently and effectively.

To ascertain whether the processes as desired by the Bank and controls implemented actually function as intended to do so in normal and also in exceptional circumstances and cases.

To understand and appreciate the Strengths, Flexibility and Weakness of the Core Banking System as implemented and constraints faced

To ensure appropriate testing of various controls including input, process and output controls which would result in:

- Greater Comfort ,Better Control, Smooth Conduct of Banking Business / Functioning
- Enable the banks management to place reliance on the Core Banking System
- MIS requirements of Branch, Zonal, and Head Office

5. Scope of work:

The below mentioned areas have been broadly referred to as General Banking Business

- Retail Deposits and Advances
- Corporate Deposits and Advances

- Credit monitoring & NPA management
- General ledger & Trial Balance ,Balance Sheet
- Transaction and teller maintenance
- Lockers
- Off-Balance Sheet Items
- Credit Card business
- Ancillary Business - Bills and remittances
- Management Information System (MIS)
- Interest, commission, charges set up and computations
- Clearing and service branch operations.
- Inter branch operations
- Any other banking area

The Scope of work is broadly as under

SrNo	Business Area		Major Aspects to be covered
1	General Banking	Legal Compliance	<p>To ensure that the application/s conforms to the applicable provisions of any Act or Law in force with special emphasis on the following acts as amended up to date</p> <ul style="list-style-type: none"> ➤ Banking Regulation Act ➤ RBI Act ➤ Negotiable Instruments Act ➤ Information Technology Act ➤ Income Tax Act (emphasis on TDS) ➤ FEMA ➤ Contract Act ➤ Transfer of Properties Act ➤ Company Law ➤ PMLA ➤ Any other Applicable Act/ Law /Rules Regulations
2.	General Banking	Compliance to Government Guidelines	<p>To ensure that the application/s conforms to Compliance to the Government Guidelines more particularly regarding Government Sponsored Schemes Deposit Schemes e.g. Pension ,PPF Advances Schemes e.g. PMRY MPBCDC etc. To ensure that the application/s conforms to Government guidelines for Classification of Priority Sector Advances.</p> <p>Applicability of provisions in the software to ensure compliance and</p>

			reporting of Govt's / RBI's / Bank's guidelines / instructions as per Jilani Working Group, Risk & Control measures in computers and telecommunication system Vasudevan Committee report (to ensure ESCROW arrangements with the vendor), Working Group Report on Electronic Banking- Gopalkrishnan Committee, Report of Working Group on Internet Banking etc. as circulated by RBI Any other relevant Central Government Guidelines.
2.	General Banking	Compliance to regulatory Guidelines	To ensure that the application/s conforms to the applicable regulatory guidelines e.g. R.B.I. Government of India, FIU-IND etc.
3.	General Banking	Accounting Standards	To ensure that the application/s conforms to the accounting standards as applicable (General Ledger application) Account / BGL subhead - GL head mapping Process of BGL creation, CGL head creation Maker-checker control in GL administration Review of integrity of B@ncs24 - GL application / interface. Ability to modify/ update data directly in GL and availability of audit trails Reconciliation – DD, PO, C2C, CHR/CHP, Govt Business, OLRR, Technical Contra, IMPS, ABPS, FI, IB
4.	General Banking	Compliance to Bank's Policies & Procedures / Guidelines	<ol style="list-style-type: none"> To ensure that the application/s conforms to the Bank's Policies Procedures / Guidelines e.g. I S Policy , Credit Policy, I.R.M Policy etc. Correctness of functionality of each module and all modules in totality with reference to the extant guidelines of the bank. Special Emphasis on Compliance to the relevant Information Security Policy of the Bank.
5.	Income Recognition & Asset Classification	Income Recognition & Asset Classification	<ol style="list-style-type: none"> Verification of select accounts in Deposits and Advances (to be selected by the Auditor from various products across BOM). <ol style="list-style-type: none"> For Term Deposit products, interest calculation on maturity, periodical interest payouts and accruals interest calculation in case of pre-mature payments shall be verified. For Loan products, verification of interest Computation (should include calculation of penal interest and back-valuation.) Computation and application of interest, fees and charges for transactions of various types in Trade Finance. Understand the logic and flow of the automated calculation of all

			<p>income heads (interest, exchange, commission, discount) and re-perform the calculation outside the system to ensure that calculations are performed accurately by the system</p> <ol style="list-style-type: none"> Understand the logic and flow of the automated calculation of interest accruals and interest expense and re-perform the calculation outside the system to ensure that calculations are performed accurately by the system Understand the logic and flow of the automated calculation of interest, fees and charges in Trade Finance application and re-perform the calculation outside the system to ensure that calculations are performed accurately by the system Verify that logics are built in accordance with the Bank's requirements. Verify that all the above types of income/expense booked are accounted for properly and are reflected accurately in the General Ledger (by reference to balances under the relative heads as shown in the Finance 1 application) Functionality of NPA tracking: Understand the logic and flow of the automated NPA Tracking in Core Banking System and verify that the classification of assets & Provisioning by the system is accurate.
6.	Information Systems	Management controls	<p>To ensure proper controls are in place in the area of System development, programming management, data management, security management, operations management and quality assurance management.</p> <p>Industry Best Practices are observed wherever possible.</p>
7.	Information Systems	Information Security	Security features including user management
8.	Information Systems	Application controls	<ol style="list-style-type: none"> Evaluation of existence and effectiveness of the following controls boundary, input, communications, processing, database and output controls Evaluation of safeguarding of assets, data integrity, efficiency and effectiveness of the system Evaluation of system documentation and user manuals and interface with menus, submenus and reports Special emphasis on – <ol style="list-style-type: none"> Sufficiency / accuracy of all types of reports,

			<ul style="list-style-type: none"> b. Backups and recovery procedures, c. Audit trails, d. Version control, patch management, rollover, e. Setting of various parameters, f. Areas of income leakage, g. Generation of exception reports and their coverage.
9.	Information Systems	System Generated Transactions	Evaluate the Correctness ,Completeness, Confidentiality Integrity & Availability of System Generated Entries, BGL, CGL including ORACLE Apps and reconciliation thereof
10.	Information Systems	SLA	<p>Compliance with Service Level Agreement (SLA) for Core Banking System.</p> <p>To ensure Monitoring of Service Level Agreements is done by the bank and vendors.</p>
11.	Information Systems	Bulk Transaction Posting Utilities	Correctness , Completeness , Confidentiality ,Integrity, Availability of transactions posted through bulk transaction posting utilities e.g. Trickle Feed Utility etc.
12.	Business Process Reengineering	Change Management	<p>Evaluation of the Procedures adopted by the bank for the Business Process Re-engineering and controls thereof with a special emphasis on the processes reengineered since 01/04/2013</p> <p>Gap Analysis for the Processes Reengineered</p>
13.		Interfaces- Internal & External	Review process and controls over interface of TCS B@ncs24 application, including validation of interface files and handling of rejections, with the other applications
14.	Information Systems	Core Banking System Control Reports generation	Identify module wise modifications required to achieve the above.
15.	Information Systems	Disaster recovery Plan	Ascertain DRP if documented, its adequacy, components, awareness, related provisions in software, testing, training needs, recovery alternative and suggest changes / modifications if any.
16.	Information Systems	Review of hardware and software to suggest measures if any for better control	<p>Maintenance, monitoring, effective and efficient usage of resources Access to Operating System (O.S.), Version control, O.S. security and compliance with essential and desired functionality for Transaction Processing and its support in areas of RDBMS, TCP/IP, distributed transactions managements, audit services etc.</p> <p>Terms and conditions specified in Annual Maintenance Contracts of Hardware and Software to safeguard bank's interest</p>
17.	Miscellaneous	Audit of other areas	<p>Procedures / guidelines vis-à-vis practice as regards generation / maintenance of record, access control and methods adopted for checking and verification Accounting procedure and control</p> <p>Any other area / aspect relevant to the assignment with mutual understanding</p>

18.	Miscellaneous	Manual Interventions	<p>In addition, the auditor will be required to verify</p> <ol style="list-style-type: none"> 1. The risk that is posed by the manual interventions that are allowed in all the applications. This will be examined for the need to keep this and restrict it or the need to eliminate it. This decision will be conveyed by the auditor based on the critical nature of the manual control and availability of the system control to manage. 2. Possibility of any wrong figures / misrepresentation or misstatement in financial statement due to system generated entries. 3. Auditor shall suggest any modification or addition to the existing report structure or addition of any report/s to existing reports to highlight major exception for better management control. 4. The auditor is also expected to verify the correctness of any auto reconciliation process in the Core Banking System. 5. The auditor shall also evaluate the System adopted by the Bank to verify the Background, competency and trustworthiness of vendor employees.
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The scope of work is segregated in 3 distinct phases:

Phase I – Application Review of the Core Banking System, i.e. B@ncs24 & other applications.

As a part of this phase:

1. Study the implemented functionality of Core Banking System i.e. **B@ncs24 & other applications** with reference to the Business Areas mentioned below and to ensure correctness of functionality of each module and all modules in totality.
2. Perform a test of controls and functionality setup in the Core Banking System i.e. B@ncs@24 and other applications to ensure that all the functionalities and controls for Core Banking System are implemented properly and completely.
3. Identify ineffectiveness of the intended controls in the software and analyze the cause for its ineffectiveness. Review adequacy and completeness of controls.
4. Identify key functionalities not supported by the application
5. Review of all controls including boundary controls, input controls, communication controls, database controls, output controls.
6. Review effectiveness and efficiency of the Application.
7. Review of data submitted to other systems for accuracy, completeness, timeliness and consistency of data submitted.

Phase II – Review of Core Banking System Security and Controls

As a part of this phase

Review of the application security features built within Core Banking System B@anck24 and other applications and also the security and controls built in and around the operating system and data base used by the Core Banking System both at the central level and at the client level. As a part of this phase, the following steps will have to be performed.

Step 1 – Review of Application Security Controls

1. Review the application security setup supported by the Core Banking System B@ncs24 & other applications to ensure:
 - a. Access level controls are appropriately built and implemented into the application
 - b. Only authorized users should be able to edit, input or update data in the application or carry out activities as per their role and/or functional requirements.
 - c. Access on a 'need-to-know' and 'need to-do basis'
 - d. Appropriate user maintenance and password policies being followed
2. Benchmark the application security parameters and setup to the Bank's Security Policy and leading applicable practices
3. Identify gaps in the application security parameter setup in line with the bank's security policies and leading applicable practices.
4. Review should include threat identification, assessment of threats, exposure analysis and control adjustment in respect of Core Banking System i.e.B@ncs24 and other applications.

Step 2 - Review of operating system and Data Base Controls:

Review of Operating System Controls

As a part of this phase:

- a. Review specific operating system security features used and the parameters set
- b. Identify security weaknesses and recommend solutions
- c. Review sample user profiles against job roles

2. Review of Data Base Controls

As a part of this phase:

- a. Review specific database system security features used and the parameters set
- b. Check the database for optimal performance

Phase III - Review of other Controls:

1. Review of user manuals, operating manuals and systems manuals and interface with menus, submenus and reports related to Core Banking System i.e.B@ncs24 and other applications, Oracle Apps and Trade Finance Solution

2. Review of

- Sufficiency / accuracy of all types of reports and crystallizing of all reports.
- Aesthetics' of reports and standardization in report layout, report id, etc.
- Availability of reports as per requirements of various users (their timeliness)
- Sufficiency/accuracy of all types of data extracts,
- Audit trails,
- Setting of various parameters, updations thereof and actual working of them as intended and accurately.
- Turn around time required for each transaction,
- Backups and recovery procedure / controls,

3. Review of management controls including systems development, programming management, data management, security management, operations management and quality assurance management. Review to include

System development to include – Problem / opportunity definition, Management of change process, analysis of existing system, formulation of requirement, application software development, procedure development, acceptance testing.

Programming management to include – planning, control, design, coding, testing and operation maintenance. Maintenance to include repair, adaptive and perfective maintenance

Data management review objectives include – Users must be able to share data, data must be available to users when it is needed, in the location where it is needed and in the form, in which it is needed, it must be possible to modify data fairly easily in the light of changing user requirements, integrity of data must be preserved.

Security management - review of physical concerning personnel, hardware, facilities, supplies and documentation. Logical security control over malicious threats, review of security program.

Operations management to cover daily running of hardware, software, facilities, Production application system can accomplish their work, development staff can design, implement and maintain application system. Segregation of duties and accesses of production staff and development staff with access control over development, test and production regions. Review of controls over computer operations, communication network control, data preparation and entry, production control, file library, documentation and program library, help desk and technical support, capacity planning and performance monitoring and outsourced operations.

Quality assurance management Review to include – ensuring achievement of certain quality goals and their development, implementation, operation and maintenance of system with a set of quality standards.

5. Review of hardware and software (at branches selected) to suggest measures if any for better control:
6. Review of procedures for ATM, Internet, Telebanking, and Mobile Banking at identified branches.
7. Verification/review of compliance with regulatory requirements including guidelines/directives of Reserve Bank of India and Vasudevan Committee Recommendations are also part of scope of this audit.

Limitations to scope: The scope of audit does not cover Data Center Environment and Procedural Audit, Network Audit, Vulnerability Analysis and Penetration Testing, and ATM Audit. The present scope relates only to the functionality and implementation of Core Banking System.

3. Methodology:

For the purposes of functionality testing, appropriate test environment shall be provided by the Bank at Pune. Production/live environment shall not be available for review.

During each of the phases mentioned below, personnel from Information Technology Department as also Inspection Department of the Bank shall be involved in monitoring the progress of the assignment. Periodic progress report (at mutually accepted periodicity) shall be furnished by the successful bidder while executing the assignment.

Phase I – Application Review of Core Banking System i.e. B@ncs24 & other applications

As a part of this the Auditor will have to perform a review of the implemented Core Banking System i.e. B@ncs24 & other applications for the functionalities, products and services which the Core Banking System supports and which are being used by the branches, business units or departments. The approach for the application review is explained in detail in the below mentioned steps.

Step 1 – Setup the Audit Management Plan:

Setting up the audit management plan will be the first step of the project initiation after the project kick off meeting. The approach for the same will be:

1. Initiate audit kick-off meeting
2. Understand the audit expectations and timeframes
3. Formulate the overall audit plan defining: Step – wise activities & Time frames
4. Formulate the methodology for application review
5. Discuss the formulated audit plan and methodology with the banks project management team
6. Obtain concurrence on the methodology to be adopted and the time frames to be adhered.

It is desirable to adopt Black Box testing and a Review of Software Code is not expected.

Step 2 – Current State Assessment

A detailed current state assessment of the implemented functionality and current business process and operations should be done to get a better understanding of the banks business, products and services which, would enable to perform the application review appropriate. The approach for the current state assessment will be:

1. Conduct meeting with the core team members to understand the:
 - Product and services offered by the bank
 - Functional specifications documents floated by the bank to the vendor
 - Expectations from the Core banking System in terms of support for business processes, operations, features and functionalities.
2. Visit identified branches and departments to understand the business process and operations for:
 - Retail Deposits and Advances
 - Corporate deposits and advances
 - Credit monitoring & NPA management
 - General ledger
 - Transaction and teller maintenance
 - Lockers
 - Bills and remittances
 - Trade Finance
 - User Management
 - Interfaces
 - MIS
 - Application Security
 - Interest, Commission, charges set up and computations with special emphasis on Income leakage.

- Clearing and Service Branch Operations.
- Inter Branch Operations.

Step 3 –Perform Application Review of the Core Banking System i.e. B@ncs@24 and other applications

As a part of this the Auditor will perform a test of functionality and controls to test the Core Banking System for the functionality, security and controls built within the application and to ensure that the functionality and controls as deployed with the application are functioning as intended and are accurate.

Process Integrity

The Auditor's **Application Controls Consulting** approach should be oriented towards identifying critical risk areas, evaluating the extent to which controls exist in these areas to address risks, and assessing the effectiveness of controls in addressing risks. This enables to provide an assurance that the controls are appropriate, are being complied with and that they operate as intended. Having identified the control weaknesses, if any, the recommendation corrective actions where required should also be provided.

In respect of transactions that are automated e.g. calculations and computations, separate risk and control matrices will have to be developed. The risk and control matrices will reflect the risk, control objective and the application system controls addressing the risk. These will be thereafter updated with testing results.

The entire exercise will result in a report highlighting important control areas to be addressed, in the application systems relative to the individual modules.

It is pertinent to mention the personnel conducting the review possess knowledge of banking operations and Core Banking System environment, which has been gained through their involvement in providing various consultancy and process re-engineering advisory services. This knowledge of processes and controls will be leveraged in providing further services to the Bank. Overall this will ensure increased efficiencies in work to be performed and better value to the Bank.

The approach for performing the application review will be as follows:

- Conduct a walk-through of the application systems
- Review system documentation and operating manuals, if available
- Interview key personnel in order to understand the applications options as used in a live setup
- Review the parameter set up within the applications
- Review the transactions that are processed through the application
- Review the presence of adequate security features to meet the standards of confidentiality, reliability, and integrity required for the application supporting business processes;
- Review the adequacy of audit trails for transactions carried out by the application;
- Review the integrity of authorization & access controls maintained with the security features;
- Review the maintenance process for user profiles
- Perform a test of the cases to determine the adequacy of controls built in the application by doing a "what can go wrong" analysis to ensure that all transactions are

- real
- recorded
- valued correctly
- recorded on a timely basis
- classified appropriately
- summarized correctly

Based on the control weaknesses identified above, analyze the risks involved, if any, and determine solutions for improving the effectiveness and reliability of the controls. The approach for the same would be:

- Identify existing controls to ensure that errors are prevented, detected and corrected;
- Procedures to test the controls in the application;
- Evaluate whether the controls are adequate and effective; and
- Making recommendations to improve controls and streamline processes

Based on the test results observed:

- Report test findings and suggest recommendations
- Discuss the findings on the test cases with the bank's business testing team

Phase II – Review of Security and Controls

As a part of this the Auditor will perform a review of the security and controls built in and around the operating system and data base used by the Banc's 24 Core Banking System at the data center. Secure Code Review is not expected. The approach for this phase is mentioned below:

Step 1. Application Security Review & Setup

Review the application security setup parameters within the Core Banking Application. Our approach for reviewing the same would be :

- a) Understand the parameters available within the application for :
 - i) User Maintenance
 - ii) Password maintenance
 - iii) Application Administrations
- b) Understand the bank's Information Security Policy with respect to. the above mentioned domains
- c) Ensure access level controls are appropriately built into the application
- d) Benchmark the security setting within the application to the banks policies and leading practices
- E) Identify gaps in the application security setting

Step 2. Operating System Security

The Auditor will review the operating system configuration and perform a preliminary assessment of its controls both at data center and at the branch level. (Gateway PCs and Client Pcs) The review of the operating system will address;

- a) Operating System Installation
- b) Operating Systems Access Controls
- c) Privilege Management
- d) Domain Account Policies

- e) Built In Accounts
- f) User Accounts Properties
- g) Groups
- h) Domain Administration
- i) Directory And File Security
- j) Backup And Recovery

Step 3. Database Security

The Auditor will review security settings for the Database on which the application systems are implemented covering the following areas and recommend changes where applicable.

- a) Segregation of duties of database administrators
- b) Password policies
- c) User maintenance process
- d) User access privileges
- e) Authorization profiles
- f) Database security functionality
- g) Backup & Restore procedures
- h) Archival & Purge Procedures
- i) Backup security

Phase III. Other Controls:

1. The Auditor will review the user manuals and will interface with menus, submenus and reports.
2. Review of
 - Sufficiency/accuracy of all types of reports and crystallizing of all reports.
 - Sufficiency/accuracy of all types of data extracts,
 - Review of management controls including systems development, programming management, data management, security management, operations management and quality assurance management
3. Review of hardware and software (at branches selected) to suggest measures if any for better control
4. Review of procedures for ATM, Internet, Telebanking, Mobile Banking at identified branches.
5. Verification/review of compliance with regulatory requirements including guidelines/directives of Reserve Bank of India and Vasudevan Committee Recommendations are also part of scope of this audit.

4. DELIVERABLES

Deliverables shall be made as per phases given in point no. 6.1.
Detailed project plan

1. Test Case Formulation

- Report highlighting gaps in input, processing and output controls with recommendations to remedy the gaps.

- Report highlighting gaps in application security controls with options for improving application security.
- Detailed report on the functionality available in the software, its correctness, with scope for improvement. This report should be mapped with the functionality list provided to the Core Banking System vendor at the time of floating the tender.

2. Review of Security & Controls - Test Cases

-Report highlighting gaps in application security Controls with options and recommendations for improving application security.

3. Review of the operating system & data base controls and security

- Executive Overview of the work performed and a summary of all high risk findings
 - Findings in the Executive Overview should be drafted in non-technical terms
 - The format of the report should be aimed at providing a brief but meaningful summary of the findings to senior management and other higher - level decision makers.
- Detailed Technical Report
 - This report is directed at the Bank's technical and operational staff and will state each vulnerability noted, the systems affected by the vulnerability, a detailed step-by-step fix for all security enhancements and counter measures recommended.

4. Review of Other Controls:

- Report on the MIS needs of the Bank, with the details of the reports available with its correctness and effectiveness.
- Report on the sufficiency and completeness of data extracts.
- Report on the management controls including systems development, programming management, data management, security management, operations management and quality assurance management
- Report on aspects relating to Virtualization such as VMware etc.
- Report on interfaces.
- Report on review of procedures on Internet Banking, Mobile Banking and telebanking.
- Report on Hardware and software in branches.
- Report on the Disaster recovery Plan.

All these reports would be first submitted in DRAFT (1 soft and 1 hard copy) and would be discussed with Bank and vendor and after that as final report would be submitted (1 soft and 3 hard copies).

6. Locations for audit:

Project Monitoring Office, Pune or any such location at Pune as arranged by the Bank.

Branch audit i.e. Environment and procedure audit of Five branches from Pune or Mumbai.

Sample Zonal Office and Head Office departments – for conducting review of their expectations from Core Banking System, usage of Core Banking System in their controlling function and level of fulfillment of expectations.

7. Other Points:

Sample size to be covered in the Core Banking System Functionality Audit:

Deposit accounts	150
SME Loan accounts	100
C&I Loan accounts	100
PER Loan accounts	50
AGRI Loan accounts	50
Trade Finance (Exim Bills) a/cs	50
OTHER AREAS - Minimum 5%accounts	

(Various accounts selected for system audit will encompass all categories of deposits and loans, namely, Savings Bank, Current A/c, Term Deposits, Recurring Deposits, Term loans, Housing loans, Overdrafts and Cash Credit, Bills etc.)

SCOPE FOR AUDIT OF ATM PROJECT

Review of Operations at Switch

- Terminal driving and Switching, routing activities / HSM / VAP review
- Review of Middleware between Switch / HSM
- SLA Monitoring Review
- Switch Review - password administration, access to sensitive data, access to sensitive privileges and utilities, auditing, logging and monitoring, Remote access, Network (ATM router security review) Mapping of Card and Account number, data integrity, Access control review – physical and logical, Interface controls, overall monitoring of Switch activities, Facility management.
- Management of various KEYS by service provider and Bank, Procedures for generating / loading /destruction and ensuring security of various Keys
- Switch database security review – Policies and procedures, confidentiality and data integrity, access controls, Availability and recovery, Audit trails. Review of processes.
- Review of Fraud Risk Management System
- Review of response time setting
- Validation / verification of PIN and Card by Switch
- Compliance of VISA / NPCI requirements for Switch operations
- Review of process of Addition of ATM at switch
- General controls review
- Security review of all operations including various KEYS password controls at switch and HSM and middleware
- Version control and change management for switch software
- Provision of backup for entire switch services
- Backup practices, off-site storage, backup of switch software
- BCP / DRP - DRS Location audit- hot backup, Dual HSM with automatic fallback. Compliance in line with Bank's RTO & RPO

Review of Card Cell and related operations

- Review of various activities / functions of ATM card cell
- Reconciliation Software - User Rights, Outstanding entries, Handling of Reversal Transactions, Suspect transactions for ATM and POS transactions, ATM Cash reconciliation. Review of reconciliation process including adequacy and accuracy, Interbank and Interbranch transactions reconciliation/settlement, Mechanism for redressal of complaints – roles of branch/card cell/ Vendor/s, Managing suspense items, Report generation
- Cash Management – Replenishment, Reconciliation, Handling cash/cheques deposited in ATM, Overnight custody of Cash at vault, accounting entries. Risk mitigation - by way of insurance.
- Card Management activities - Software, User Rights, Production, Dispatch, Embossing, Inventory management, Control over card issue, Activation, Renewal, Hot-listing, Re-activation process, card Database Management, Replacement / Duplicate cards, Generation of PIN mailers, Delivery of cards and PIN mailers, Managing non-delivery if any of cards, PIN, Generation of CAF file, Transit insurance of cards and PIN mailers
- Review of data conversion in case of database of existing card holders
- Review of processes for - Cash Replenishment at ATMs & Daily Reconciliation of Cash, Start of Day and End of Day for ATMs, Journal Printer Logs / ATM transaction activity records, ATM Card Captured / Swallowed, Card Activation, ATM Transaction Reconciliation between Switch & TBA s/w, Dealing with ATM transactions like

Rejections, Partial Cash dispense etc, Handling cash deposited in envelopes at ATMs, Handling Cheques deposited in ATMs, Overnight Vaulting.

- Security and accuracy of flow of application data among branch, card cell and Vendors and confirmation by Switch and card cell about the correctness of all fields. The procedure for receiving the ATM Application forms from the customers by the branch and forwarding the same to Card Cell is to be followed by the branches as per extant guidelines. The procedure of data entry at Card Cell in Card Management System (CMS) and verification, personalization, after personalization posting of CAF (Card Authentication File) in to switch. Review of card usage – monitoring of highly active in-active cards.
- Terminal control software

ATM Site audit – On-site and Off-site and Branch functions

(Sample number of sites will be 20, as per sites selected by Bank, to include both on-site and off-site)

- Working of ATM with all options as per order specifications including new and upgraded ATMs, Health, Inventory checks, System performance checks, ATM Network monitoring, ATM Combination locks, Guard his duties and functions, Cash / Consumables Monitoring and forecasting, Slip printing, EJ, If ATM provided is as per Order specifications in case of New and upgraded ATM, Review of site specifications as per terms of contract, Maintenance, chances of installing hidden camera, skimmers mounting, review of site from secure transaction from customer, General security controls for site.
- Verification of technical features of New and Upgraded ATMs , Review of networking of Off-site ATM
- Method for physical cash verification in respect of cash at ATM, including actual verification during site audit.
- Personal firewall configuration at ATMs
- Patch Management Process ,controls for Malware and other vulnerabilities
- Review Terminal control software, Terminal Master Key management
- Response time / instances of Time –out for transactions
- Physical security of ATMs, version control of ATM software.
- Transactions – All types – Deposits, Withdrawal, Balance Enquiry, Mini Statement, Funds transfer (Intrabranh, Interbranch), Supporting Multiple accounts , Remote-on-us, Mobile top-up, Bill Payment, Daily limits for withdrawal amount and attempts
- Review of connectivity with switch
- Review of steps taken by vendor/s to ensure safety of ATMs.
- Restoration of ATM services in case of disaster.
- Review of method of computing
- ATM Combination locks, ATM custodianship & Guarding of ATM cash

General Review

- Up-time of ATM, SWITCH, Online monitoring, daily reporting of uptime /downtime, review of method of computing downtime.
- Handling of ATM problems/ complaints
- PIN Security – Encryption in EPP, Transmission of PIN, regeneration of PIN
- Confirmation of adherence to VISA requirements by service provider and Bank
- (Security of various keys, Responsibilities as Issuer / Acquirer)
- POS Transactions – Daily transactions processing, switching / routing and reporting, Preparation of transaction summary, clearing and settlement reports, Reconciliation

of disputed transactions, Preparation of daily / weekly / monthly merchant statements

- Reports – MIS, Financial, Non-financial, reversal transactions, interchange fees, authorization charges, settlement charges, Acquirer, Issuer transaction reports, transaction summary, clearing and settlement, posting reports etc., reporting of snaps taken by surveillance camera. The auditor to comment on need for any additional reports.
- Conformance to Triple DES encryption, Macing
- Review of AMC of Bank with vendor/s
- Ensuring conformance to Banks IS Security Policy including Third Party access policy, Equipment Security Policy, Physical Security Policy, Network Security Policy, Incident management policy and BCP Policy
- Complaints handling
- Conformance to terms of order / Service Level Agreement (SLA) – to cover each point, along with specification for Hardware, Software, Performance and upgrades, and fulfillment of various obligations by vendors and their service providers /sub-contractors if any.
- Review of project documents prepared by vendors e.g. Cash Management, Card Management, and Reconciliation.
- Review of various documents to be submitted by vendors as per contract and actual submission of these documents including their adequacy and authenticity.
- Review of adequacy of various systems and procedures set up by Bank and vendor
- Review of various applicable guidelines from RBI, Government, Regulators, Bank, various committees

4. CASH MANAGEMENT

- Cash retracted/not delivered by ATMs.
- Software - The entire process of cash management i.e. cash replenishment request to adjustment of POB should be duly managed through the WAN-based software to be provided by C.O. IT department.
- Report submission by vendors such as EJ, others.
- Confirmation of daily cash position from the transaction log files (TLF) provided by vendors.
- Reconciliation – pending entries in ATM reconciliation
- Exact time of reckoning of closing cash balance on a particular day
- Daily statement of ATM wise cash balances
- Insurance of cash

ATM AUDIT: BRANCH RELATED ITEMS

1.Procedure of issuance of ATM card-

- Receiving application from customer
- Scrutiny of application form as to filling up all information
- Verifying the customer account details as to name, address, account number, etc. for completeness and accuracy
- Verifying the signature of the customer on the application form.
- Scrutiny as to the standing of the customer and whether he has defaulted in payment of dues of any other ATM/Credit Card, etc.
- Attestation by the authorized officer
- Entering in the ATM register
- Sending the forms to ATM card cell.

- After Receipt of ATM card from card cell, entering the same in register.
- Intimation of receipt of ATM cards to customer and intimation to card cell
- Issue of ATM card to customer after identification of the customer and verifying the receipt of PIN mailer to him separately.
- Mapping the ATM card number in the interface PC.
- Overall control on ATM applications received, applications sent to card cell, cards received from card cell, issued and pending with branch.
- Maintenance and attention to customer complaint register
- Reporting to Top management

2.Issuance of Add on cards

3.Control on lost ATM cards

4.Procedure for duplicate ATM cards

5.Destruction of ATM cards

6.Maintenance of keys

7.Maintenance of passwords

8.Physical audit of ATM locations

9.Printing and checking of ATM transactions-transactions of the same branch, transactions received from other branches, transactions received from VISA- other bank ATMs, POS

10.Verification of G/L ATM account entries

11.Maintaining register for incidents of ATM-down time, dispensing excess/less cash by ATM, debit to accounts but non-receipt of cash, etc. and actions taken by branch.

Annexure 5: commercial bid

The Commercial Bid should contain the Total project cost, on a fixed cost basis. Bank of Maharashtra will not provide any reimbursement for traveling, lodging/boarding, local conveyance or any other related expenses.

The format for the commercial bid is given below

Sr No	Particulars	Units	Per Unit Cost	Total Cost [Rs.]
1.	Functionality Audit of Core Banking System at test site in Pune	1		
2.	Project Management Office, Pune	1		
3.	Head Office, Pune	1		
4.	Zonal Office	3		
5.	Branches	5		
7	Any other expenses to be specified			
8.	ATM Project Audit including Branches Sample			
9.	TOTAL			

Annexure 6: Format of curriculum vitae (CV)

(Separate sheets for each person)

Position:

Name of Company/ Firm:

Name of Personnel:

Profession:

Date of Birth:

Years with Company/ Firm :

Nationality:

Membership of Professional Societies:

Detailed Tasks Assigned :(past 5years)

(Giving an outline of person's experience and training most pertinent to task on assignment. Describe degree of responsibility held by the person on relevant previous assignments and give dates and locations)

Employment Record:

(Starting with present position, list in reverse order)

Qualifications: Technical and Academic with year of passing

Annexure 7: checklist of documents to be submitted

- Eligibility Criteria
- Technical Bid
- Security Deposit / EMD BG
- Masked Commercial Bid
- Format of CV for the professionals to be involved in the CBS System Audit
- Commercial Bid