



Bank of Maharashtra

Addendum-1 dated 15th April 2017

To

Request for Proposal

For

**RFP for End-to-End Solution for Merchant Acquiring Business through Supply,
installation, maintenance and management of EDC machines and/or POS
terminal at on Rental basis**

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Addendum 1 – Summary of Revisions:

1	BID SECURITY AMOUNT	BID Security amount is reduced from 50 Lakhs to 30 Lakhs
2	Eligibility Criteria	Qualification Criteria section 5.1.30. Clause no 6 : Turn over requirement of 100 Crores is reduced to 50 Crores
3	7.2. ANNEXURE B: COMMERCIAL FORMAT	Commercial Format is revised – (Clause added Quoted amount shall include all expense and taxes except service tax”)
4	Section 5.1.12 Point I Mandatory Requirement	2 Clauses related to Aadhaar Pay Security compliance added

1. ADDENDUM INTRODUCTION

The Bank had issued the Request for Proposal (Tender Reference # 172017 dated March 22, 2017) to the bidders for the “ RFP for End-to-End Solution for Merchant Acquiring Business through Supply, installation, maintenance and management of EDC machines and/or POS terminal at on Rental basis”. As per the terms of the RFP document a pre - bid meeting was held on April 1 2017 at Bank of Maharashtra, Lokmangal, 1501, Shivaji Nagar Pune – 411005

This addendum covers additions, corrections and clarifications to the queries raised by the Bidders, as well as other additional information which Bank considered essential to be furnished to the Bidders to gain a better understanding of the Bank’s requirements as part of the RFP. All efforts have been made to provide the maximum available information and answer the pre-bid queries submitted by the Bidders. The Bidders are required to consider the information provided in this Addendum 1 as the latest guidelines.

The Bidders have been provided with the clarifications and details through this Addendum 1. However the questions pertaining to details that were already provided in the RFP, have not been answered. Please treat this Addendum-1 including the entire Pre Bid Queries Responses provided by the Bank as an integral part of the RFP document issued. Only the sections, clauses, terms referred in this Addendum 1 are revised/updated to the extent revised/clarified. All other terms and conditions of the RFP document remain unchanged.

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Response to Bidders queries has been segregated in two set of Tables, that is

- 1) Table-QR-1, refers to Bank's response as "clarification" to the bidder's queries

Table-QR-1

Sr. No	Page #	Section #	Main Section Name	Clarification Point as stated in the RFP 172017 document	Comment/Suggestion/Deviation	Bank Response
1	9	1	Invitation for Tender Offers	Last Date and Time for receipts of tender offers 15-April -2017 up to 14.00 hours	Request the bank to provide an extension of at least 15 -20 days from the date of publishing of the Pre-Bid responses.	Please refer to the addendum for revised schedule of RFP
2	12 and 42	4.2 and 6.2	Project Objective and Period of Contract	Bank intends to select a vendor/s who can Set up, Manage, Maintain and Operate Merchant Acquiring Business as per scope of work given in the detailed RFP through supply of POS/EDC terminals for next 3 years. The agreement can be extended for additional period of 2 years on mutually agreed terms which is renewable on annual basis The period of contract is initially for 3 years which may be renewed for additional 2 years 2 terms of one year each with mutual consent and can be extended based on the satisfactory performance of the bidder at the sole discretion of the Bank	The bank has mentioned the term of contract as 3 years. However the commercial bid is being evaluated for 60 months (5 years) Request the bank to modify the term of contract to 5 years accordingly, which would also benefit the bank on account of the long term contract	The proposed contract is for 3 years with the provision of extension of 2 years. The TCO is calculated for the entire period of 5 years

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Sr. No	Page #	Section #	Main Section Name	Clarification Point as stated in the RFP 172017 document	Comment/Suggestion/Deviation	Bank Response
3	13	4.3	Requirement details V	All other cost, except Bin Charges to VISA/Master card / NPCI and its certification charges by what so ever name it is called, shall be borne by the bidder.	We assume that other periodical charges including transaction level charges which will be levied by the schemes basis on value and volume of the business/transactions would be borne by the bank as this is a service provider model. Please provide clarification on the charges to be borne by the bidder	Please refer to the RFP. No change in the RFP clause
4	13	4.3	VI	All the certification charges of their switch & POS / EDC Terminals need to be borne by the bidder.	Switch and terminal certification charges on account of association/schemes is a bank specific activity and hence we assume that the Bank will bear these costs. Efforts required to provide support for such certification should also be paid separately to the bidder. request you to please confirm our understanding	Bank shall bear the cost of BIN charges and its certification charges related to acquiring of the new POS terminals. The clause specifically mentions regarding the certification charges relating to the Bidder's Switch & POS / EDC machines is required to be borne by the bidder.
5	13	4.3	VII	Bidder is required to bear Fraud & Risk Liability and provide effective Fraud & Risk management services. Addressing of charge backs if any arises, will be to the account of the bidder and all other issues like collection of charge slips, making representation etc shall also be managed by the bidder	Bidder shall be responsible for crystalised liability of Fraud and chargebacks. Bank and Branches will provide all the support to the bidder efforts to avoid losses and recover the monies debiting the merchant account wherever required.	The RFP clause is self-explanatory. As regards to the support by the Bank / branches, this may be included as a part of operations

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Sr. No	Page #	Section #	Main Section Name	Clarification Point as stated in the RFP 172017 document	Comment/Suggestion/Deviation	Bank Response
6	13	4.3	VIII	All the Banking Services including maintenance of Merchants Settlement account will be provided by the Bank. The final approval of merchant sourced will be of BANK OF MAHARASHTRA, which will act as Acquiring Bank by acquiring Card. Present Transactions at Merchant Establishments where EDC/POS/GPRS/MPoS terminals shall be installed under the scope of this RFP. The Bidder / Service provider may provide the reference of the merchant to the Bank at no extra cost.	Merchant due diligence and underwriting will be Bidders responsibility as they are taking all the Fraud and Risk liabilities as per the above clause. Hence the final say of merchant approval and boarding shall be of bidder. Modalities shall be worked out to select the merchants with mutual understanding.	No Change in RFP Clause
7	16	4.4.2	IV	The Bidder shall comply with / provide confirmation on the following: VIII. The EDC/POS terminals deployed by the bidder should be capable of providing value-added services through the terminals e.g. DCC, Mobile Recharge, Bill Payment, E-ticketing, Cash @POS etc., Multi Bank EMI facility as and when required by the Bank.	Does the Bank have any tie-up with any vendor for E-ticketing, Bill Payment, Mobile Recharge? Please provide the details of such tie-ups Value Added Services(VAS) are provided on separate commercial considerations. Please clarify if the bank expects these VAS as part of the commercial Bid expected	All the VAS shall be required to be provided by the bidder as and when required by the Bank and would be decided on case to case basis.

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8	17	4.4.3 XIII	IV	Turn Around Time for Installation and repairs of PoS/EDC terminals	TAT given for service calls should be also in working days. TAT calculation in hours is challenge to compute. Secondly Semi Urban and rural TAT is not feasible as given .Requesting bank to re-consider the rate of penalties	No Change in RFP Clause
9	25	5.1.12	V	B. Functionality Requirements Multi Merchant Ability to support multiple merchants in a same Application. This is mostly used under EMI YES/NO	Please clarify whether Bank is referring OEM or Merchants in this point?	Merchants only
10	35	5.1.30.A	Eligibility Criteria		The eligibility criteria mentions Bidder/ Bidding partner for multiple qualification criterion. Request the bank to confirm if the Primary Bidder needs to meet all the criteria mentioned or can the Primary Bidder meet some criteria and Bidding Partner the Others? Also, would the Bidder/Bidding partner be jointly liable for any penalty/ Liquidated damages? How would the same be ascertained	The eligibility criteria clauses are self-explanatory and the bidders are required to meet all the criteria in order to be eligible. An individual eligibility criterion may require credentials of the bidder / bidding partner as the case may be. However, the primary bidder shall be responsible and accountable to deliver the project as per the RFP terms.

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11				The Bidder/bidding Partner/ OEM should have not been blacklisted / barred / disqualified by any public Sector Bank/RBI/IBA/regulator / statutory body in India,	Does the Bank recognise Data Breach in the past as an integrity issue, preventing the bidder/bidding partner from bidding as part of this clause?	Please refer to the addendum - Revised schedule of RFP
12	36	5.1.30.A.6	Eligibility Criteria	The Bidder should have a minimum turnover of at least Rs.100 crores (each year) in the past two years from Indian operations	Please provide the definition of turnover in this context. Will the gross MDR earned by the aggregator be considered as revenue? OR the Net margin from the gross MDR would be considered as revenue?	The turnover here is treated as Sales turnover of the Bidder company as per the financials
13	37	5.1.30.A.9	Eligibility Criteria	The Bidder/Bidding partner should have installed and be maintaining at least 10000 POS terminals on pan India basis	Does this experience also include transaction processing or is it only restricted to installation and maintaining physical terminals? Would the bank validate these numbers against the latest RBI data published for verification?	The eligibility criterion is self-explanatory.
14	42	5.1.38.D	Roles & Responsibility during Project Implementation	The cost of migration, if any from the existing service provider to the new service provider will be borne by the newly selected L1 bidder	While the Bidder would be responsible for migration of data on to their system, we assume that the bank would be providing such data from the incumbent vendor at their own cost. Please confirm our understanding	Yes, the understanding is correct.

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Sr. No	Page #	Section #	Main Section Name	Clarification Point as stated in the RFP 172017 document	Comment/Suggestion/Deviation	Bank Response
15	43	6.6	VI	Penalty	<p>Rs. 100 per day is too high penalty and maximum of 10 % should be clarified , it is too high</p> <p>98 % up time on field deliverable is challenge</p> <p>Computation on field TAT basis on Point F seems to be challenge</p> <p>Point H : One visit needs to be done every month as PM. This shall in occur additional efforts / cost</p> <p>Requesting bank to reconsider the penalties All Penalties should be capped at 10 % of monthly billing.</p>	No Change in the RFP Clause
16	45	6.1.G	VI	Bank shall serve the notice of termination to the bidder at least 30 days prior, of its intention to terminate services during the contract period.	<p>Bank should not terminate the contract by giving 30 days notice for convenience</p> <p>We request the bank to provide a notice of at least 120 days</p>	No Change in the RFP Clause
17	64	7.2	VII	Commercial format	<p>Banks has asked for contact less separately , we need clarification on contact terminals, can we have latest model (i.e. contactless)</p>	No Change in the RFP Clause

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Sr. No	Page #	Section #	Main Section Name	Clarification Point as stated in the RFP 172017 document	Comment/Suggestion/Deviation	Bank Response
18	39	C	joint Bidding	<p>C. JOINT BIDDING In case the bidder/ group company is not having certain capabilities sought in tender, it can still participate in tender provided the bidder should have prior agreement and arrangement with those parties having relevant capabilities/ expertise. Such agreement should be with not more than two parties and should have been entered into before the due date of tender submission. Any service issue arising out of such arrangement will be in the domain of successful bidder and the Bank will not have any responsibility towards the third party activities/ performance. List of parties proposed to be engaged to be furnished along with the bid. In case of Joint Bid, all terms & conditions shall be applicable on all the co bidders and they will be liable/ responsible jointly as well as severally</p>	<p>Does the bank expect the Primary bidder to be the core service provider (transaction processing) with the bidding partner providing the peripheral services (Risk mgmt, Sourcing, VAS)? While it is understood that transaction processing is core to the acquiring business, dependency on the secondary partner for the core services is not usually the accepted business model in the industry because it is detrimental to the banks interest. Will the bank still allow the core service to be provided by Alliance or Bidding Partners?</p>	<p>The eligibility criterion is self-explanatory.</p>
19	9	1	Invitation for tender offers	<p>Earnest Money Deposit (EMD) Rs.50,00,000/-</p>	<p>Request the bank to consider reduction in the EMD amount from Rs. 50 lakhs to Rs. 30 lakhs</p>	<p>Please refer to the addendum - Revised schedule of RFP</p>

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Sr. No	Page #	Section #	Main Section Name	Clarification Point as stated in the RFP 172017 document	Comment/Suggestion/Deviation	Bank Response
20	36	5.1.30	Qualification Criteria	The Bidder should have a minimum turnover of at least Rs.100 crores (each year) in the past two years from Indian operations.	Request the bank to reduce the turnover criteria to Rs. 50 crores for the last 2 financial years.	Please refer the addendum for the revised eligibility criteria

MANDATORY REQUIREMENTS –

Following points are either changed or added to existing requirements. Any other points not covered below remain unchanged

Changes:

Correction under following condition is corrected:

Condition	Description	Response
adhere enabled	Equipment shall have adhaar enabled features for bio- metric authorization	YES/NO

The condition stands replaced with following:

Condition	Description	Response
Aadhaar enabled	Equipment shall have Aadhaar enabled features for bio- metric authorization	YES/NO

Additions: Following mandatory requirements are added to the existing table

Condition	Description	Response
Aadhaar Pay Security compliance	Aadhar pay client applications which are being developed by bidder should ensure that all security regulations under Aadhaar Act, 2016 (prohibiting local storage and replay of biometric etc) are complied with	YES/NO
Aadhaar Pay Security compliance	Bidder will ensure that registered devices are used for biometric authentication and no bio-metric is stored and no scope is given for replay-attack	YES/NO

- **CLAUSE NO II OF SECTION 4.4 PROJECT SCOPE OF RFP DOCUMENT STANDS REPLACED WITH FOLLOWING:**

Old Clause - The EDC/POS terminals being deployed and related Infrastructure must Be Fully **EMV-II compliant (as per latest revisions/Provisions)**.

Revised Clause- The EDC/POS terminals being deployed and related Infrastructure must Be Fully **EMV-II compliant or per latest revisions/Provisions**.

- **5.1.31. EARNEST MONEY DEPOSIT**

Requirement of Earnest Money Deposit (EMD) of Rs. 50 Lakhs stands relaxed to Rs. 30 Lakhs. All other

- **5.1.10 QUALIFICATION CRITERIA**

Following clauses are revised with no change in requirement of supporting documents:

Sr	Old Eligibility Criteria	Revised Eligibility Criteria
1	The Bidder/bidding Partner/ OEM should have not been blacklisted / barred / disqualified by any public Sector Bank/RBI/IBA/regulator / statutory body in India,	The Bidder/bidding Partner/ OEM should have not been blacklisted / barred / by any public Sector Bank/RBI/IBA/regulator / statutory body in India,
2	The Bidder should have a minimum turnover of at least Rs.100 crores (each year) in the past two years from Indian operations.	The Bidder should have a minimum turnover of at least Rs.50 crores (each year) in the past two years from Indian operations

Important information regarding Bid submission–

The last date of bid submission is revised and the new schedule is as under:

Event Name	Remark
Last Date and Time for sell of tender offer	29 th April, 2017 up to 12:00 Hours
Last Date and Time for receipts of tender offer	29 th April, 2017 up to 14:00 Hours
Time and Date of Opening of technical bids	29 th April, 2017 up to 16:00 Hours

(REVISED) ANNEXURE B: COMMERCIAL FORMAT
(Only Commercial Bid to be included in Commercial Bid Envelope)

Deputy General Manager
Information Technology
BANK OF MAHARASHTRA
Head Office, Lokmangal, 1501, Shivajinagar, Pune-
411005

Dear Sir,

Ref: **RFP No. 172017**

Having examined the Bidding Documents, the receipt of which is hereby duly acknowledged, we, the undersigned, submit our Price Bid for different items in conformity with the said Bidding documents as under:

Table-1

Sr.No	Activity	Make /Model	Qty	Monthly Rent (in Rs.)	No of Months	Total Amount
1	PSTN Based		3000		60	
2	PSTN Based NFC contact Less		500		60	
3	GPRS Based		4000		60	
4	GPRS Based Desktop Terminal		1500		60	
5	GPRS handheld with contactless		250		60	
6	GPRS Based Desktop NFC contact Less		250		60	
7	MPoS		250		60	
8	MPoS with contactless		250		60	
9	Total Of Table-1					T1

Table-2

Sr.No	Activity	(in Rs.)	No of Txn Per Month	No of Months	Total Amount
1	Per Transaction Fee		25,00,000	60	
					T2

Total Cost of Ownership T = T1 + T2 =

In Words (RupeesOnly)

Note: Service Provider will not recover any charge either from the Merchant or Bank except above.

Table-3-Optional Item

Bidder also required to quote (quantity 10 nos) cost of each type of terminals in an annexure format for outright purchase by Bank. Bidder to indicate warranty period, amc cost, deployment cost, support cost, any other associated costs, and transaction switching costs for transactions originating from Banks owned equipment. The cost quoted for outright purchase will not be part of TCO.

Format for outright purchase of terminals

Sr. No.	Activity	Make /Model	Qty	Unit Cost	Total Amount
1	PSTN Based		10		
2	PSTN Based NFC contact Less		10		
3	GPRS Based		10		
4	GPRS Based Desktop Terminal		10		
5	GPRS handheld with contactless		10		
6	GPRS Based Desktop NFC contact Less		10		
7	MPoS		10		
8	MPoS with contactless		10		
9	Total Of Table-3				T3

Note:

1. T3 will not be part of TCO calculations
2. Unit prices quoted above will be with 1 year warranty and bidder to mention other related prices in the below table.

S. No	Type of POS Terminal	Make & Model	Warranty Period	AMC Cost per annum	Installation Cost-One time	Support Cost-per annum	Other Associated Costs	Transaction Switching Costs-per transaction

Please submit your quote inclusive of all expenses and taxes except service tax.

The prices quoted should hold good for the period of contract and should not be changed for any reason whatsoever. Monthly rent of the POS devices will start from first live transaction date.

Dated :

(Signature)

(Name)

(In the capacity of)

Duly authorized to sign Bid for and on behalf of