



CO: Credit Card Centre
Chennai

20.04.2016

NOTICE – 1

Sub: Request for Proposal (RFP) for “End to End solution” for Credit Card operations under OPEX model.

Ref: RFP REF:CO:CCC:RFP:01:2016-17 dated:04.04.2016

Our responses to the queries raised through emails and during the pre-bid meeting dt 12.04.2016 are given in this notice-1. It may please be noted that this Notice- 1 forms part of the RFP document.

Only Copies of the RFP and Notice – 1 published are to be used as the bid document and should be submitted as such duly signed by the bidder's authorized official on each page.

1. Last date and time for submission of Bids - 25.04.2016 at 15.00 Hours
2. Date and time for opening of Technical Bids - 25.04.2016 at 15.30 Hours

Assistant General Manager
Credit Card Centre
Indian Bank, Corporate Office, Chennai



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Clarifications to Pre-bid queries dt.12.04.2016 on RFP 01 dt.04.04.2016

Sr No	Page No	Section	Title	Description	Query	Bank Response
1	3	3	Bank presently has a credit card base of 70,000 cards		Whether existing cards are EMV or only magnetic stripe. If EMV, are those cards issued with full EMV or Early data issuance	Both EMV and Magnetic Stripe. Full EMV
2	4		Schedule and Control Sheet	Last Date and Time of receipt of Tender offers 25th April, 2016 15:00 hrs	Request the bank to extend the bid submission by a minimum of 15 working days from the date of providing the pre-bid clarifications. The present timelines are very constrained and pose a challenge for timely submission	Adhere to RFP Terms
3	18	III.14	Installation Integration and Migration	The selected bidder is responsible to complete installation, integration and migration of the credit card operations. The selected bidder should with in coordination with our other service providers for building necessary interface with CBS, mobile banking, <u>SMS gateway</u> , IBR SMART Remote , Payments Gateways, EFT switch, Bank's call centre and any other integration specified by Regulatory / Statutory bodies/ Bank.	Is the bidder expected to use the banks SMS Gateway for all SMS sending?? If so, we assume that there would be no SMS cost to the bidder for any SMS sending. Please confirm our understanding	Successful bidder should use his own SMS gateway for sending SMS from the credit card solution at bidders own cost. Integration with Bank's SMS gateway shall be implemented when required by Bank.
2	19	18	Contract period - Contract Continuity		What will be migration period. The timelines will be dependent upon response from banks existing vendor. We will communicate all dependencies to bank for migration. Subject to closure of these dependencies we will be able to manage migration.	No separate period for migration. (Please refer timelines mentioned in clause 2.2.1 of Page 24 & 25)



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	22	IV.1.8	Schedule of Requirement: Functional and Technical Requirement	Successful bidder shall connect its credit card management system and transaction authorization infrastructure on Bank's EFT switch, Core Banking Host and other systems such as internet banking and mobile banking servers for offering facilities such as card activation and PIN change through ATM , real time appropriation of payments received through credit card dues etc. Process flow and message specifications for the same will be discussed with the successful bidder.	Request the bank to please provide details about the banks existing systems as mentioned below # EFT switch # Core Banking Host # Internet banking platform # Mobile banking platform	EFT Switch : Base 24, Core Banking Host : TCS Bancslink , Internet banking platform : TCS e-Bankworks, Mobile banking platform:IndPay on Android / Windows and i-OS platforms
	23	IV.1.16	Schedule of Requirement: Functional and Technical Requirement	Successful bidder should track dispatch and delivery of credit cards and PIN Mailers send to customers through Indian Post or the courier agencies appointed by the bidder and shall ensure smooth delivery of consignments.Management of returned courier items will be done by the successful bidder in consultation with the bank.	As per Section III Conditions of Contract on page 14 of the RFP, "Payment of Postage/Courier charges will be made by the bank directly to India Post/Courier agency <u>appointed by the bank</u> " Please confirm the role and responsibility of the bidder in light of the above statement with regards to courier and related activities	Handling covers till pick up by India Post / Courier agency and returns management to be taken care by the Bidder. Postages/Courier cost will be paid by Bank to India Post / Courier agency directly.
	23	IV.1.17	Schedule of Requirement: Functional and Technical Requirement	The bidder shall connect to SMS and Email gateways owned by <u>them</u> or a third party engaged by <u>them</u> for communicating with the card holders.	Please clarify what does "them" in this statement mean. Is the Bidder expected to connecte with the SMS/Email gateways owned by the Bank?? Please explain	Them means the bidder.



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	23	IV.1.20	Schedule of Requirement: Functional and Technical Requirement	Successful bidder shall do necessary customizations and implement changes to meet Bank's requirements and regulatory requirements during the contract period without any additional cost to bank(in their own cost)	This is an open ended statement allowing the bank to ask for any customization in the future which would need to be delivered by the bidder without any cost. Request the bank to limit the free customizations to only the scope of the RFP and any regulatory/mandates related changes sought in the future.	Adhere to RFP terms.
	27	IV.2.2.4	Penalties for Delaying in Delivering Credit cards and PIN Mailer to Customers	Penalties for delay in delivering credit cards and PIN mailer to customers	Since the bank is appointing the courier company and liasing with them for payments, request the bank to have these in the SLA's with the courier company directly. The bidder would be liable only for timely dispatch without the responsibility of delivery	Penalty will be applicable for delay in handing over the covers to India Post / courier agency
	28	V.3	Eligibility Criteria	The bidder should have positive net worth for the years 2012-13, 2013-14 and 2014-15	Since we are a MNC and follow the Calendar year for accounting purposes, request the bank to allow us to submit our Audited Financials for CY 2013, CY 2014 and CY 2015	If the financial year of the bidder is calendar year, then the bidder can submit audited financial statements for CY 2013,2014,2015.
3	54	2.8	Annexure A - CC Issaunce/Perso/PI N Mailer printing	2.8 Various components like sub-limit for cash, loan scheme and other definable components of an account limit should be configurable for each card	What will be 'Other definable components of account limit'	Cash Limit, Per day Limit, FX Limit, EMI etc. Service provider shall reserve additional fields for future use.
4	56	2.43	CMS should support VCF (Visa commercial Format)	2.43 CMS must support Visa Commercial Format (VCF)	For what purpose these files will be used. As our system supports standard formats as used for Visa processing	Adhere to RFP terms.



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5	57	2.58	Annexure A - Card Replacement	2.58 CMS must be able to renew for a specific group of cards with flexible controlled parameters (checking current expiry date, account, conditions, number of retries, blocking parameters).	Pls elaborate this point with parameter detailing	In addition to replacement of cards individually, Service provider shall be able to replace cards as a group based on the parameters provided in RFP.
6	57	2.62		2.62 The system should allow hot listing cards not only for specific card numbers, but also based on any other criteria.	What is 'any other criteria'	Other Criteria can be Tagged Account Number and Registered Mobile Number.
7	65	4.57	Servicing of Accounts Including Billing	Calculation of interest, late payment fee, service charges, service tax, ATM fee, cash advance fee and over limit fee etc.	What are 'minimum due options'	Minimum Due Options means minimum amount that is to be paid by Card Holder into his Card account against Total Due outstanding . Minimum due options should be configurable.
8	66	4.63		Maintains Holiday table for calculating billing / due date.	What will be minimum pay criteria for invalidated cards. What will be the concept of 'invalidated' cards	The cards blocked by Bank for various reasons are invalidated cards.
9	66	4.72		Report generation, MIS and NPA management from Bank's premises	What does 'NPA management from banks premises' means	Bank should be able to generate all NPA reports through front-end. Implementation of steps for recovery of overdues.
10	67	4.83		Provide real time data to Bank's call center agents through web portal to assist them in responding to queries related to shipment of gifts as and when Bank formulate gift scheme for loyalty / reward point management	It is assumed that loyalty management Catalog finalization will be done by bank. Also stock management and dispatch will be done by bank	finalisation of gift/scheme shall rest with Bank. Stock and Despatch Management for Gifts will be by Bank.



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11	68 and 69	4.86 Point e & f		Refund: This transaction is used to credit the money to cardholder account from merchant account. Void: This transaction is used to cancel the previously performed purchase or refund transaction in the same batch	Refund and Void transaction is posted by acquirer and bidder system will support reversal received online or purchase reversal transaction received thru Base II files. Point e & f are not related to issuer	Successful bidder should accept and process refund and void transactions as an issuer.
12	69	4.86. J		Dynamic Currency Conversion	As for issuer, authorization will be received in card base currency. DCC concept is from acquirer perspective.	DCC rules are of card associations and the successful bidder has to follow the same. Authorisation will be in INR.
13	71	5.33		The statements must specify the transaction details and disputed amounts	Whether 'Statement' referred here is cardholder monthly billing statement ?	Yes
14	74	6.39		Ability to user set up grace days and interest rates depending on whether customer is defined as a transactor or revolver. E.g. if customer is a transactor, a shorter grace day and a lower interest rate is assigned after the system detects a payment pattern	Interest calculation is not applicable for transactor, hence this requirement point is not valid.	Only parameter settings for transactor and revolver.
15	75	6.46		Ability to apply different interest calculation method based on account status (e.g. current, delinquent, charge off).	What are different interest calculation methods	Only parameter settings based on accounts status.
16	77	9	Reports, Returns and MIS generation head Periodical reports, ad-hoc reports		What are different types of MIS (reports). This is open ended requirement	Bank should be able to generate all MIS reports (like NPA, Customers - Volumewise/categorywise etc) through front-end.



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17	78	9.10		Offline Transaction s Report	Offline transactions are presented in Base II, without having authorization, hence such txn will appear in non-matched report	Yes - However Offline transactions are not supported at present.
18	78	9.19		The reports should support or be able to be exported to a variety of formats: Microsoft word, text, Excel, PDF etc	Reports will be available in text OR excel based on modules from where it is generated. Please clarify as to what does the bank mean by etc.?	Other formats can also be explored with mutual consent of successful bidder and the Bank.
19	78	9.20		The reports should be able to be exported to different distribution channels: printers, web, etc	Reports will be shared with bank and bank to use the same for printing	Yes
20	79	10.7. IX		Ability to display billed balance components on screen at customer level or account level, e.g. Interest, annual fees, late charges, returned auto direct debit fees, installment.	All billed pending components for below heads will be available: Purchase, Cash, All Fees, Interest, Service tax, EMI, BT, Loan. Fees wise breakup will not be available.	Please adhere to RFP terms
21	80	10.26		All Passwords Assigned must be unique for each user	Multiple users can have same password, as such password is created by individual user. User ID will be unique.	User ID and Password should be unique for each user.
22	82	11.20	Interface with billdesk	Dynamic Information in web window	Which types of Online integration are currently available with bank	Currently Bank's Credit Card system is connected to debit card switch and IB Smart Remote Mobile application.
23	85	17.10	Exporting data to external vendor	The system should support exporting data to other systems to generate regulatory and other types of reports and importing data from other systems for further processing analysis.	This format will be as per Bidder specs. Accordingly vendor should use data for report generation.	Data to be provided in the format mutually agreed between Bank and Successful bidder.



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24	85	17.13	Credit Card application should be PA-DSS compliant	Credit Card application should be PA-DSS compliant.	As this project is on hosted model, bidder systems need not be PA-DSS compliant	PA-DSS Compliance is mandatory. Certification is not necessary.
25	85	17.15		Successful bidder shall connect it's credit card management system and transaction authorization infrastructure to Bank's EFT switch, Core Banking Host and other systems such as internet banking and mobile banking servers for offering facilities such as card activation and PIN change through ATM, real time appropriation of payment towards credit card dues etc. Process flow and message specifications for the same will be discussed with the successful bidder	Which types of Online integration are currently available with bank	Currently Bank's Credit Card system is connected to debit card switch and IB Smart Remote Mobile application.
26			General Information		General Information : Pls provide projection of cards, authorizations/transactions, number of bank users	Current card base is about 73000 cards, transactions around 1,50,000 permonth. Bank users around 30.
27			General		What are the current volumes processed by the bank with the existing vendor? What is the expected volume on YoY basis keeping year one as current year. Please provide projection of cards, authorizations/transactions, number of bank users?	Current transactions is around 1,50,000 permonth. Bank users around 30. Cards to be issued over a period of 5 years is given in the commercial bid. Monthly / quarterly average to be arrived by the bidder.
28			General		What is the bare minimum volumes the Bank is willing to commit in the contract over the 5 year period?	No minimum is defined . Only projection for the entire 5 years is provided in the tender document.



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29			General		How many transactions per card per year expected on YoY basis keeping year one as current year?	Current transaction volume is 1,50 lakh per month which is expected to cross 3.00 lakh in the 5th year.
30			General		What is the bifurcation of physical and email statements on YoY basis keeping year one as current year?	The volume statements / e-statements given in commercial bid for 5 years period to be used for arriving bifurcation on YoY basis
31			General		What is the number of re use cards and PIN on on YoY basis keeping year one as current year?	On an average re-issue of cards will be around 2000 per year with anticipated YoY increase of 10%. Re-PINs will be around 3000 per year with anticipated 10% increase on YoY.
32			General		What is the number of photo cards and the percentage of that with the normal cards on YoY basis keeping year one as current year?	All cards to be issued are photo cards only.
33			General		Is it mandatory that Bidder should not have any past reported incident/s of any Breach of security or Data compromise notified by any Bank/Bank Association/Schemes during the past three years in India?	Please refer Point No. 6 of eligibility criteria of RFP for details.
34			General		Will the existing Credit card vendor provide the complete data & the relevant tools used to process the transaction and will the training be provided at nil cost?	Bank shall arrange for providing details. Relevant tool to be developed by the successful bidder
35			General		Vendor is supposed to provide the products & deliverables defined in the RFP only, please confirm?	The successful bidder has to provide products & deliverables as per requirements of RFP.



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36			General		The RFP indicates the Bank is looking for onsite resources inclusive of Hardware & Software to complete a total of 4 activities & does not indicate any minimum count of resources to be stationed at the Bank's premises, so that can help the bidder on the onboarding process and would staffing have any correlation with the volumes to be processed. Please confirm?	Number of resources may commensurate with the volume and requirements of the Bank as per RFP



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37			General		<p>Queries on migration:</p> <p>1) Data required in format specified by the bidder</p> <p>2) Explanation of each field</p> <p>3) It shall be responsibility of the Bank to provide the existing complete data to the selected vendor in the readable formats , pls confirm ?</p> <p>4) All types of masters</p> <p>4) Credit card application related data</p> <p>6) Complete customer, account, card data, transactions, authorizations, billing data, BT/EMI, rewards, delinquency, NPA, audit trials, dispute/chargebacks, call center history along with data base design for all such data Banks existing website domain (if any) to be shifted to the bidder, along with flash files and images and complete web-site hosting pages</p> <p>7) Keys migration (including CVK, PVK)</p> <p>8) Any specific logic/rules used currently for credit card program? Parameters passed to HSM for PIN, CVV, ICVV, CVV2. Values for decimalization table, account number, PIN validation data, method used for generating PIN. Card expiry date format passed while generating CVV, service code field value for</p>	<p>Successful bidder to coordinate with the existing service provider for smooth migration and complete within the time schedule mentioned in the RFP</p>
				1. The Existing Vendor will provide entire data		



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38			General		<p>Queries on migration(Contd):</p> <p>9) All types of Parameters (along with explanation) defined in the system like Billing Cycle Dates, Interest Rates, all types of Tolerance Amounts, Minimum Due amount, service codes, all type of velocity parameters etc.)</p> <p>10) Technical specifications for all types of integrations (online/offline)</p> <p>11) All existing Bureau related information such as chip card templates, Coral draw (CRD) images for all types of card art works, stationary etc</p> <p>12) Photo and signature images with link to card records</p> <p>13) Card Numbering Logic</p> <p>14) Who will bear the cost of migration ? (Bidder or bank)</p> <p>15) In case Bank's existing Vendor ask for cost for migrating the data to the selected bidder, who shall bear the cost of the data ?</p> <p>16) Can the migration period extended as there is dependencies of the existing vendor and the list of activities stated above?</p>	<p>9. Part of migration process. 10. To be assessed by the bidder. 11. 12. & 13 Part of migration process. 14. Bidder has to bear the cost of migration (refer RFP page No.87) 15. No such situation is expected since as per extant guidelines of RBI, the existing vendors have to extend full co-operation to new vendor for migration of data. 16. The period for migration is realistically arrived. Due to dependencies of existing vendor if it is to be extended it will be decided with mutual discussion.</p>
39			General		Is it mandatory to have hardware HSM at both primary & DR site, please confirm?	Yes



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40			General		Is it mandatory to have the direct integration with Bank's acquiring switch, Debit card switch , DCMS , Internet banking, IVR, FRM, prepaid cards switch & CBS? If yes, then who shall bare the cost of direct integration & connectivity cost with Bank's acquiring switch, Debit card switch , DCMS, Internet banking, IVR ,FRM , prepaid cards switch & CBS ?	Direct integration is required with Bank's ATM EFT switch, Core Banking Host and other systems such as internet banking and mobile banking servers including mobile Application. Bank may require Integration with POS Acquiring switch, DCMS, FRM and Pre-paid card switch based on new services to be implemented in future. Please refer commercial bid format point No.4
41			General		Is it expected that the bidder needs to be certified by Visa for mVisa Credit card Issuance in India?	The bidder need not be certified for mVisa at present..
42			General		Is it expected that the bidder should have experience in running CUG programmes in India?	Please adhere to RFP terms
43			General		Is it expected that the bidder must have VISA, Master, NPCI certified host and Visa Access Point (VAP), Master card Interface Processor (MIP), RuPay Connectivity duly certified at its own premises in India?	Please adhere to RFP terms
44			General		Does the pricing include the cost of providing Visa Access Point (VAP), Master card Interface Processor (MIP), RuPay Connectivity duly certified at its own premises in India?	Please adhere to RFP terms
45			General		Is it mandatory for bidder to have a real time Fraud & risk management solution in India? Is it expected that the bidder has a experienced FRM team and provide 24 x 7 team to interact with card holders when the alerts are triggered?	The bidder should adhere to RFP terms



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46			General		Does the pricing quoted by bidder include the cost for providing an real time Fraud & risk management solution in India?	Please adhere to RFP terms
47			General		Will the bank RFP itself shall be treated as final agreement copy?	RFP is an invitation to the bidder to bid. It is not a final agreement copy.
48			General		Please confirm if all the taxes which government levies shall be borne by the bank ?	Please refer commercial format of RFP.
49			General		We will require approximate indication of call expected for NPA Outbound calling for the first year i.e what percentage of the total volume could be NPA?	Please refer commercial bid format for details.
50			General		As per response received from the bank, the letter courier cost will be borne by the Bank. Please confirm on the courier for all dispatches? (Card, PIN, Letter etc.)	Payment of Postages / Courier charges for all despatches will be made by the Bank directly to India Post / Courier agency appointed by the Bank.
51			General		Whether the card will be dispatched in active or deactivate mode?	The card will be dispatched in active mode.
52			General		Please provide the definition of the transaction from billing perspective.	Transactions from billing perspective are:1) Authorised transactions 2) Decline transactions 3) Void Transactions 4) Tip adjustment Transactions 5) Refund Transactions.



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53			General		Can a vendor participate incase any breach of security has been notified by IBA / Bank / Any payment scheme with in last 2 years	Please refer Point No. 6 of eligibility criteria of RFP for details.

