

**Government of India
Ministry of Communications & IT
Department of Posts
Financial Services Division
Dak Bhawan, Sansad Marg, New Delhi- 110001**

Request for Proposal (RFP)

FOR

PRE-PAID CARD PROJECT

OF

DEPARTMENT OF POSTS

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DISCLAIMER

This request for RFP is not an offer by the Department of Posts, India, but an invitation to receive responses from eligible interested firms for partnering with Department of Posts for the Pre-Paid Card Project.

No contractual obligation whatsoever shall arise from the RFP process unless and until a formal contract is signed and executed between Department of Posts, India and the bidder(s) concerned.

Department of Posts, India reserves the right not to proceed with the project.

Event	Date
Availability of RFP Document at DoP Website	Up to 21 st April, 2010 1200 hours
Last date and time for submission of completed RFP document	21 st April, 2010 1500 hours
Opening of RFP	22 nd April, 2010 1600 hours

The RFP document can be downloaded from the website: <http://www.indiapost.gov.in>. Alternatively, the document can also be obtained in person from Assistant Director- General (Banking Services), Room No. 322, Dak Bhawan, Sansad Marg, New Delhi- 110001 on any working day between 1100 to 1600 hours up to 20th April, 2010.

The completed application (response document), containing two hard copies (printed, signed and bound copies) and one soft copy (on a non-rewriteable CD - An MS Word document (compatible with MS Word 97 / 2000) or an Adobe Acrobat PDF (compatible with Adobe Acrobat Reader 3.0 or higher)) of the RFP, should be submitted in a sealed cover super scribed with the title "Request For Proposal for Pre-Paid Project", before the last date and time at the following address:

Mr. Dinesh K Sharma
ADG (Banking Services)
 Department of Posts
 Room No. 322, Dak Bhawan,
 Sansad Marg, New Delhi- 110001
 Tel/Fax +91-11-23096102
 e-mail: dks@indiapost.gov.in

The commercial bid should be in a sealed cover inside the RFP cover.

Late Applications: Any application received after the last date and time for submission for the same, i.e., 21st April 2010, shall not be accepted. Applications received after the last date shall be summarily rejected and returned unopened.

NOTICE INVITING RFP

**Government of India
Ministry of Communications & IT
Department of Posts
Financial Services Division
Dak Bhawan, Sansad Marg, New Delhi- 110001**

No. 95-9(Banking)/2001-SB Vol. II

Dated: 29.3. 2010

Request for Proposal For Pre-Paid Card Project

Department of Posts, India invites applications for **Request for Proposal (RFP)** from experienced and reputed Banks for partnering with Department of Posts, India on Pre-Paid Card Project.

Detailed terms and conditions are prescribed in the RFP document, which can be downloaded from the website: <http://www.indiapost.gov.in>. Alternatively, the document can also be obtained in person from ADG (Banking Services), Room No. 322, Dak Bhawan, Sansad Marg, New Delhi- 110001 on any working day between 1100 to 1600 hours up to 20th April, 2010.

The last date for submission of completed application, in a sealed cover superscribed "Request for Proposal for Pre-Paid Card Project", is 21st April, 2010 up to 1500 hours (IST). Applications would be opened on 22nd April at 1600 hours (IST). The applications will be evaluated in accordance with the pre-qualification and evaluation criteria to shortlist applicants as prescribed in the RFP document.

Director (Financial Services)
Tel. No. +91-11-23096008
e-mail: manishasinha@indiapost.gov.in

DEFINITIONS

”Applicant” means a reputed Indian/foreign Bank having the requisite experience in issuing Pre-Paid Cards who has applied for the RFP.

“Application” means the RFP submitted by an Applicant in the prescribed format.

“DoP” or **“India Post”** means Department of Posts, Government of India.

“RFP” means Request for Proposal.

SECTION I

**Request for Proposal (RFP)
FOR
PRE-PAID CARD PROJECT**

1.1. INTRODUCTION & OBJECTIVE:

1.1.1 The Department of Posts, India is planning to launch White-label Pre-Paid Cards through Post Offices in association with Bank(s) interested to partner with the Department for this Pre-Paid Card Project. The objective of the Pre-Paid Card Project is to leverage cash handling expertise and the network of India Post in order to facilitate non-cash card based transactions for purchase of products and services at retail outlets across the country. India Post reserves the right to partner with multiple banks.

1.1.2 The Cards will be reloadable with amount ranging between Rs. 1000/- to Rs. 50000/- and subsequent top ups will be allowed in the multiples of Rs. 1000/-. The Card (magnetic stripe based) could be operated at merchant establishments or ATMs where Master Card is acceptable and in the respective Post Offices. Up to 4 (Four) add on Cards are also proposed to be issued to one customer along with the Primary Card. The Cards will be usable in India only. The Cards are to be issued to the customers from the Post Office after they pay applicable card fee and the amount to be loaded onto the card. These Cards can subsequently be topped up in any designated Pre-paid Card Post Office in the country or in outlets enrolled by DoP. The cards can also be topped up using various channels like IVR, ACH etc. DoP has a marked preference for topping up cards where the user can purchase a scratch card or coupons where the code can be used to top up the card using SMS, IVR etc, and respondents providing this facility will be given preference. The Card is to be used to the extent money is available on it. The Cards could be used for various purposes and ways such as at point of sale, at ATMs, on the Internet, for Mobile commerce and for facilitating electronic money transfer (Person to person) .For an organization these cards could be used to disburse pay, allowances and other benefits to the employees by the organization, etc. Usage will be subject to all necessary approvals.

1.1.3 The tariff for each and every activity related to such Cards will be decided by the Department of Posts and if required, the partner Bank would also be consulted.

1.1.4 To operationalize the Pre-Paid Cards, Bank will be responsible to procure and personalize Cards as per the design given by the DoP. Bank will also provide finished cards, Pre-Paid Card application forms, pouches, information materials, etc. to the identified Post Offices. Bank will also support the whole Pre-Paid Card operation with the requisite technological platform and Customer Care Centre and it will also be required to do the necessary settlement. The Bank will also have to give suitable training to the postal staff for relevant operational

aspects. The Bank will bear all costs pertaining to the Prepaid cards including association fees, taxes, duties etc. DoP may also require Point of Sale (POS) instruments/terminals, the requirement of POS can be mutually agreed upon.

1.1.5 Department of Posts will provide its infrastructure and network of Post Offices and staff to Sell and distribute the Prepaid cards.

1.1.6 The Bank will enjoy the float and breakage generated out of the Pre-Paid Cards. The Bank will be required to share a percentage of the revenue earned from Pre-Paid Cards with the Department of Posts.

1.2. SCOPE OF WORK:

Planning and implementation of Pre-Paid Card Project is envisaged through partnering with Bank(s) having adequate experience in the field of Pre-Paid Cards. *The Bank will be required to partner with Department of Posts in operationalizing the Pre-Paid Cards through Post Offices, Post Men and other channels enrolled by Department of Posts.* Primarily, the network optimization objectives would include the following:

1.2.1 The Department of Posts, India will launch White-label Pre-Paid Cards in association with Bank(s). The objective of the Pre-Paid Card Project is to facilitate non-cash, card based transactions for purchase of products and services at retail outlets across the country.

1.2.2 For this White-label Pre-Paid Cards, Bank will require to take the responsibility in respect of the following:

- Procure and personalize Cards as per the design given by the DoP.
- Supply finished cards, Pre-Paid Card application forms, pouches, information materials, etc. to the designated Post Offices.
- Arrange and provide the requisite technological platform and Customer Care Centre to run and support the Pre-Paid Cards.
- Need to do the necessary settlement with card associations
- Impart training to the postal staff to run the Cards.
- Bear all expenses such as fee to the acquirer bank for using their ATMs, marketing & publicity cost, etc. DoP will bear the cost of selling the cards only.

1.3. Time Schedule for Partnership:

It is envisaged that the preparatory developments and arrangements related to all the aspects of the Pre-Paid Card Project such as procurement, personalization, technological platform, settlement system, training, etc. should be completed during the first financial quarter of 2010 so that Pre-Paid Cards can smoothly be launched. The partnership will be in force for three years from date of signing the Agreement and subsequent extension will be considered, if association would be found satisfactory and fruitful.

1.4. Conflict of Interest:

The selected applicants shall not engage in activities that conflict with the interest of the DoP. The selected applicants that have a business or family relationship with such members of DoP staff who are directly or indirectly involved in the project will not be awarded the contract.

1.5. Confidentiality:

Information relating to the examination, clarification and comparison of the RFP shall not be disclosed to any persons not officially concerned with such process until the process is over. Undue use of confidential information related to the process by any firm may result in rejection of its RFP application.

1.6. Pre-qualification Criteria:

1.6.1 General Criteria

- a) The RFP response and all associated correspondence shall be written in English and shall conform to prescribed formats.
- b) RFP response received by facsimile shall be treated as defective, invalid and rejected. Only detailed and complete RFP received prior to the closing time and date of the proposals shall be taken as valid.
- c) Two hard copies and one soft copy (on a non-rewriteable CD) of the RFP response prepared in accordance with the procedures enumerated in the RFP document should be submitted in a sealed envelope to the Department of Posts no later than the date and time laid down herein.
- d) All documents submitted by the applicant should be signed on each page by an authorized signatory.

1.6.2 Special Criterion

The Banks, which do not have any past experience in issuance of Pre-Paid Card in India, shall be summarily disqualified.

1.7. Amendment of RFP Document:

At any time prior to the deadline for submission of Applications, DoP either on its own or on request of the Applicants may amend the RFP Document by issuing addenda. To give the Applicants reasonable time to take an addendum into

account in preparing their Applications, DoP may, at its discretion, extend the deadline for the submission of Applications.

1.8. Clarifications to RFP:

The bidders may seek clarifications in writing regarding the RFP document within one week of issue of RFP. DoP shall respond in writing to any such request for the clarifications and all such clarifications shall be posted on India Post website (www.indiapost.gov.in).

1.9. Criteria for Evaluation:

For the sake of clarity and standardization and to ensure completion of documentation, we request banks to respond in the following format. Thus, the RFP responses will be evaluated on the basis of the criteria indicated in the format:

<p>Section 1.9.1: Functional And Technical Description</p> <p>This section should describe the functional and technical capabilities of the bank with the proposed alliance, emphasizing its strengths and capabilities that place it above competing solutions. For example, flexible authorization parameters, fee options, fraud parameters, load options, purchase options (web, retail, in branch\ post office, activation approaches etc. This should also include client service & consultative capabilities of the Bank.</p> <p>5% Weightage will be given to this section.</p>
<p>Section 1.9.2: Response To Specific Queries</p> <p>This section should contain responses to each of the functionality items mentioned in Annexure 3 and the technical queries contained in Annexure 2 of this RFP. Banks should treat each of these functionality items as a broad requirement and should provide an explanation of how it will be supported by the system and whether it will be available standard or only after customization. The extent and complexity of the necessary customization should be clearly stated.</p> <p>Banks' response to the items should be in the same order and tabular format as Annexure 2 and 3. Each response should be preceded by the exact text contained in the relevant Annexure describing the required functionality item or system related query. In case any item or query warrants a detailed description, the bank may provide the same in an annexure.</p> <p>The bank should furnish information on the following :-</p> <p>Platform Architecture/Operations</p> <ul style="list-style-type: none"> i) General Requirements ii) Change management iii) Program Support iv) Project management

- v) System Security
14% Weightage will be given to this part.

Functional Requirements

- i) General features-Card Processing
- ii) Application processing for Cards
- iii) Card Embossing
- iv) Account Management
- v) Card Authorization
- vi) Account Servicing
- vii) Transaction Processing and Chargeback Handling

20% Weightage will be given to this part

Processing Requirements

- i) General Processing requirements
- ii) Application Processing for Cards.
- iii) Card Personalization.
- iv) Operations management.
- v) Account servicing
- vi) Statements and letter printing

14% Weightage will be given to this part.

Section 1.9.3: Supported Platforms

This section should contain a brief description of the hardware and operating Infrastructure that the bank proposes to use to provide the card solution.

Please attach copies of the certifications done on the offered solution/product with VISA, Mastercard and American Express if applicable.

3% Weightage will be given to this section.

Section 1.9.4: Card Processing Experience

This section should describe the details of the card processing experience and processing capabilities of the bank. Please support the response with details of your organization structure and branches and support setup. Please include details of your current Product Capabilities for Prepaid cards and # of cards issued and card volumes over the last 24 months eg.

Consumer self (travel card)

Consumer other (gift card)

Employer (payroll, incentive, spending, fleet, petty cash)

Employee Benefits

Government payments / receipts processing

Students card

Re-loadable spending (general purpose reloadable)

Merchant-specific Incentive/Rebate

Healthcare

Please provide details of Mobile Commerce experience if any.

5% Weightage will be given to this section.

Section 1.9.5: Solution Roadmap

This section should describe the roadmap for the solution. The roadmap may include time and support for incorporating enhancements and implementation. Please specifically respond to following queries:

Please describe how the DoP implementation will be structured. Will there be a dedicated team or will the deployment be conducted by resources who have other responsibilities too?

- Please describe how the programme will be implemented on the bank's systems. Will there be a separate instance/ version of the bank's systems?
- Please describe how the Bank will service DOP consumers. Organisation details, operational processes etc...
- How will the bank assure DOP that the department's best customers will not be cross-sold products belonging to the partner bank or any of its correspondent institutions.

Please describe the solution, at a high level, that you would propose to the DOP. Please ensure that your response is specific to prepaid solutions and addresses the following capabilities:

- Customer Servicing
- Inventory management and distribution to DOP locations
- Load fraud management
- Transaction fraud management
- Plastic production
- Web hosting and services

Please describe how your solution scales to meet peak requirements and increasing business volumes over time.

Please describe your disaster recovery and business continuity plans. Please include:

Existing programs in place in the event your company experiences a disaster

- Computer files backup and offsite storage and redundancy.

Please describe your ability to support multiple languages and please list the

languages you currently support and the manner in which you support each, including Web, Marketing, Customer Service, etc.

Please describe your ability to support multiple currencies and list the currencies you currently support and the manner in which you support them. (Transactional vs. Settlement).

Describe your ability to support Mag Stripe and EMV functionality for cards.

Do you support White Label solutions to allow DOP to brand the solution as their own?

Describe how your solution supports Person-to-Person payments.

Describe how your solution supports SMS and email services and messaging.

Are you SAS 70 compliant?

Are you Mastercard/Visa PCI compliant?

Please describe how you will support Point of Sale integration into 155,000+ DoP locations to allow for card funding and cash disbursement within the DoP locations. Include proposed hardware and any recommended costs associated with this.

Please provide a copy of your standard reporting package. Please outline any costs associated with reporting beyond standard packages.

What customer service tools will be available on-line to DoP employees located in the 155,000+ DoP locations?

7% Weightage will be given to this section.

Section 1.9.6: Time Estimates

Banks must give estimate of the time it will take to make their solution live. The time estimate must clearly identify the various phases including development, enhancements and testing. All assumptions must be clearly mentioned.

2% Weightage will be given to this section.

Section 1.9.7: Company Overview

As a part of this section, banks should provide an overview of their respective companies, including brief history, financial position and products and service portfolio. Banks must provide all information as per Annexure 1 of this RFP.

2% Weightage will be given to this section.

Section 1.9.8: Credentials and References

Banks should provide details of past experience that may be relevant in establishing their credentials with regard to this engagement.

2% Weightage will be given to this section.

Section 9: 1.9.9: Service Level Agreement (SLA)

This section should detail the various elements of the bank's SLA. Banks should ensure that their SLA includes all items mentioned in this RFP. Highlight planned maintenance outages which will require the system to be offline.

Please describe system downtime in each of the prior 8 quarters, please classify the outages as planned and non-planned. For the non-planned, please describe the reason for the outage and how the issue was resolved. If there were any financial impacts due to the outages, please specify.

5% Weightage will be given to this section.

Section 1.9.10: Proposed Card Level Financial

This section should contain responses to each of the line items mentioned in Annexure 6. In case a fee is not recommended for a class of cards clearly mention 0 (zero) in the corresponding row under the column "Estimated Pricing"

20% Weightage will be given to this section.

Section 1.9.11: Additional Information

Banks should include any such information that has not been specifically requested as part of this RFP but which, in their opinion, may be critical to the evaluation process

1% Weightage will be given to this section.

1.10. Validity of RFP:

The RFP response submitted by the applicants shall remain valid for a period of 90 (ninety) days after the date of RFP response opening prescribed in this document. A RFP response valid for shorter period may be rejected as non-responsive. India Post may solicit applicants' consent to an extension of RFP response validity.

1.11. Earnest Money Deposit (EMD):

- (a) An EMD of Rs. 2,00,00(Rs. Two lakh) in the form of a Demand Draft drawn in favour of Director General, Department of Posts, Government of India and payable at New Delhi must be submitted along with the Proposal.
- (b) Proposals not accompanied by EMD shall be rejected as non-responsive.
- (c) No interest shall be payable by the DOP for the sum deposited as EMD.
- (d) The EMD of the unsuccessful bidders would be returned back within one month of signing of the contract.
- (e) No bank guarantee will be accepted in lieu of the EMD.

1.12. Forfeiture of EMD

The EMD shall be forfeited by the DOP in the following events:

- (a) If the proposal is withdrawn during the validity period or any extension agreed by respondent bank thereof.
- (b) If the proposal is varied or modified in a manner not acceptable to the DOP after opening of proposal during the validity period or any extension thereof.
- (c) If the respondent bank tries to influence the evaluation process.
- (d) If the First ranked bank withdraws its proposal during negotiations (failure to arrive at a consensus by both the parties shall not be construed as withdrawal of proposal by the consultant).

1.13. Security Deposit:

The selected bank shall be required to furnish a Security Deposit of Rupees 5,00,000 (Rupees Five Lakh only) in the form of an unconditional and irrevocable bank guarantee from a scheduled commercial bank in India in favour of Director General, Department of Posts, Government of India for the period of contract with 90 days claim period. The bank guarantee must be submitted after award of contract but before signing of consultancy contract. The successful bidder has to renew the bank guarantee on same terms and conditions for the period up to

contract including extension period, if any. Security Deposit would be returned only after successful completion of tasks assigned to them and only after adjusting/recovering any dues recoverable/payable from/by the Consultant on any account under the contract. On submission of Security Deposit and after signing of the contract, bank guarantee submitted towards EMD would be returned in original. The project period is initially for three years which may be extended further as per requirements.

A-Technical Bid Format**SECTION II****ANNEXURE - I****FORMAT FOR SUBMISSION OF RFP response.**

Project Title: RFP response FOR PRE-PAID CARD PROJECT.

Format for Bank Overview

Banks are required to submit the following information:

1. Holding company (if any)
2. Brief history of the company
3. Company ownership structure
4. Number of years in business
5. Date of commencement of operations of business globally
6. Date of commencement of operations in India
7. Approximate date of launch of Credit Cards, Debit Cards and Prepaid Cards respectively in India.
8. Number of countries in which present
9. Key financial data (India Operations) of the company for the last three years in the following format:

Financial Indicator	FY 2009	FY 2008	FY 2007
Loans & Advances			
Deposits			
Interest Income			
Fee Income			
Losses & Reserves			
Investments			

10. Total Number of employees in India
11. Company hierarchy/organizational structure
12. Details of all partners/sub-contractors to be included in this project, which will be involved in implementation

13. Details of the Quality Certification that may be in place (e.g. ISO certification etc.) with the company.
14. Introduction of the person who will be responsible for the relationship with DOP team.
15. Company head office contact person (including designation) and address (including phone, fax number and email)
16. Local representative contact person (including designation) and address (including phone, fax number and email)
17. Please provide the following statistical information about the processing volumes handled by the company –
 - a) Number of Cards (Credit, Debit, Private label, Pre-paid) processed in 2007/ 2008/2009.
 - b) Transaction Volume for cards in 2007/ 2008/2009 (nos.)
 - c) Total Plastics embossed in 2007/ 2008/2009.
 - d) Indian merchant locations serviced in 2007/ 2008/2009.
 - e) Merchant transactions volume for the above in 2007/ 2008/2009.
 - f) Managed ATMs - (management, services, connectivity, switching) in 2007/ 2008/2009 (nos.)-
 - g) Transaction Volume (nos.) for managed ATM's in 2007/ 2008/2009
 - h) White Labeled ATMs - complete outsourcing (Management, hardware, connectivity, service, AMC) in 2007/ 2008/2009 (nos.)-
 - i) Transaction Volume (nos.) for white labeled ATMs in 2007/ 2008/2009-
 - j) Total number of systems migrated to the proposed solution in 2007/ 2008/2009-
18. Any other information that banks may consider relevant.

ANNEXURE - II**Platform Architecture/Operations**

The following is a list of technical/system-related queries that will use to assess the capabilities of the banks' card processing solution. Banks are encouraged to highlight salient features that demonstrate the scalability, performance, flexibility, manageability and reliability of their proposed solutions.

No.	Category	Functionality Required
General Requirements		
1.	Processing setup	Provide the details of the proposed processing setup with details of each module to be used for the entire card management activity.
2.	Processing setup	Provide the details for the data center where solution will be hosted. Provide the relevant certifications issued to the proposed Data Center.
3.	Processing setup	Please provide a detailed list of the hardware and software (Application, Operating system etc) to be used by the proposed solution.
4.	Processing setup	What would be the total size of the application support team from the technology side for supporting the operations. Please provide the skill wise breakup in terms of number of people.
5.	Processing setup	Please provide the details of the disaster recovery proposed for the various application modules of the proposed solution.
6.	Processing setup	Provide the overall network plan for connectivity to the customer locations and the data center. Please inform the type of proposed tie-ups/contracts the vendor/ bank might have to enter with other third parties for the proposed solution.
7.	Processing setup	How will the proposed solution interface with users, will it be a web based solution or a client based connectivity. Please provide details for each application module.
8.	Processing setup	Provide details of the global resource pool to be used for the application support. What would be the time taken for availability of such resources in emergency situations.
9.	Processing setup	How many concurrent user sessions does the software allow? Please give details for each application module.

10.	Processing setup	Does the bank support for any problem/issues experienced in both the 'live' and 'test' environments for the client. Describe how these environments are managed.
11.	Processing setup	Do projects follow a written organizational policy / methodology when planning a project? If yes, then please provide details.
12.	Performance	How is scalability achieved for the hardware and database?
13.	Performance	Identify any known difficulties in handling increasing numbers of users (system stress on high user concurrency).
14.	Performance	Average response time for online authorizations.
15.	System Software	List the most recent release of systems software with which the package currently operates.
16.	Transaction Processing	Does the package use a transaction processing monitor? If yes, describe the monitor that is used.
17.	Management	Does the package incorporate any software utilities, for example: Report Writer; Transaction program generator; Test data generator; Other programming aids (specify); Data dictionary; other (specify)?
18.	Management	What database maintenance tools are available?
19.	Management	What development aids are available? Please include any third-party products that you feel able to recommend.
20.	Management	Does the system software permit a copy of the database to be maintained at a remote site for use in the event of disaster? If so, describe any restrictions that apply to the use of this facility with the package.
21.	Management	Are checkpoint / restart capabilities built into all batch update programs?
Change Management (Please describe for each of the applications proposed in the solution)		
22.	General	Describe how on-going changes or extensions to the requirements are managed.
23.	General	Describe the software version control mechanism (Tool and Version Number). What kind of configuration management process is established?
24.	General	Explain how the configuration items will be secured against malicious or accidental changes.
25.	General	Explain how configuration management controls can be used to identify and reproduce builds of the software.
Program Support		
26.	Processing	Have you a standard SLA for such services? Services

	Setup	are defined as requests for setting up parameters and other variable data in the system
27.	Processing Setup	Describe the hours and types of technical support coverage availability.
28.	Processing Setup	What method is used to classify faults? Does response vary for each classification?
29.	Processing Setup	What turnaround time can be expected for error corrections?
30.	Processing Setup	What is the mean time to resolution of a problem?
31.	Processing Setup	Will you agree to the following service commitments: <ul style="list-style-type: none"> • System Availability • Change requests complete within predefined timescales • Performance of system metrics i.e. speed of system) • Upgrades, new releases etc implemented within certain timescale
Project Management		
32.	Project Management	What project governance structure will be in place to provide oversight of the key decisions and approvals?
33.	Project Management	How will the proposed methodology ensure that requirements and conditions of satisfaction are documented and agreed?
34.	Project Management	What management techniques will be used to estimate, plan and deliver the proposed solution?
35.	Project Management	Is a common planning template used as a first cut of a plan? If so please provide such an example.
36.	Project Management	Describe your project risk planning and mitigation methodology
37.	Project Management	Describe your project review methodology during project execution
38.	Project Management	What are the various metrics that would be captured and reported?
39.	Project Management	How is the coordination done with various project stakeholders and the project team
40.	Project Management	Describe the role of the quality team in the project process during the execution of the project
System Security (please provide details for each application)		
41.	Application Controls	Please specify the various roles supported by the system along with the functions they have access to.
42.	Application Controls	Will there be facility to create and maintain groups with similar profiles?

43.	Data Controls	What data access controls exist and to what extent (e.g., read, write, create, execute) are they controlled by classification levels?
44.	Data Controls	Can individual user security profiles have access controllable at update, view and report levels?
45.	System Software	What special security privileges are present and how are the levels defined.
46.	Encryption	Is encryption being used? If so, is this via hardware or software?
47.	Encryption	If using encryption, what type of algorithms and methods for key recovery are available?
48.	Authentication	What are the standards for user ids and passwords?
49.	Authentication	How many levels of authentication are used (e.g., system, application, database, remote access)?
50.	Authentication	Will there be security features like: <ul style="list-style-type: none"> • Automated password expiration • Forbidding multiple logins for the same user • User ID lock out in case of a configurable number of login attempts
51.	Security Administration	Is there a separation of duties between systems and security administration?
52.	Audit	Who audits your conformance to security and access controls? Can a copy of the latest audit report be shared?
53.	Audit	What audit trails/logs exist and how are they monitored?
54.	Audit	What events can be tracked and can granularity be achieved (e.g., track all processes that spawn from the originator to individual records)?
55.	Audit	How audit logs / reports kept and what are are the retention options?

ANNEXURE - III**Functional Requirements**

No.	Category	Functionality Required
General Features – Card Processing		
1.	General Processing requirements – Card Association Interface	Bank should be able to adapt to DOP requirements for obtaining & configuring dedicated ICA / BIN(s) on behalf of DOP. Whilst DOP will fulfill requisite membership formalities directly with MC International, Bank(s) should have the capability to process Parent ICA or set up a Child ICA with MasterCard International to distinctly interface with the GCMS for clearing & settlement mechanisms. These should include receipt and processing of clearing files with requisite online checks and batch processing checks on account, card and transaction. Daily Financial settlement should be possible for DOP BINs either using the enterprise level settlement process or a distinct settlement for DOP BINs i.e. the Gross & Net settlement position of DOP BINs should be available on a daily basis for review by DOP. As a reconciliation proof, the daily total float reporting requirements for DOP BINs will include previous day's float adjusted for daily settlement and daily top ups.
2.	General Processing requirements	Fully integrated and automated card processing system without any manual intervention required for inter-module operations. The system should support for all card operations to be available on all business days of client and synchronization of batch run timings with client work schedules.
3.	General Processing requirements	Does the system provide multiple options for various load strategies i.e. loading at POS, via automated clearing house (ACH), corporate loads (account transfers one account to many accounts, funding from other cards (online, via mobile device, via ATM networks). Does the system support loading using scratch cards & PIN Coupons where customer can sms PIN to a predefined number in a specified format or input the PIN number to an IVR?
4.	General Processing requirements	Does the system provide multiple reload options like POS, ATM, others (please specify)

5.	General Processing requirements	Multi-currency support. The processing setup to support multi currency product setup. Please specify the currencies supported along with limitations if any.
6.	General Processing requirements	Processing System should be able to handle money transfer programs by MasterCard (MoneySend) & Visa (VMT).
7.	General Processing requirements	<p>Support for VISA, MasterCard and Private Label Pre-paid cards. Customer must be able to access funds (use the card) in face to face, E Commerce and M Commerce environment and through network ATMs.</p> <p>Please specifically advise which of the following transactions are supported for the M Commerce channel. In case a transaction is not supported please indicate target date by when it will be supported else clearly mark "TBD" (to be decided).</p> <ul style="list-style-type: none"> • Domestic Money Transfer - Ability to transfer money within a market • International Money Transfer - Ability to transfer money to other markets • Transactional Banking - Transactions that debit/credit an account • Informational Banking - Balance enquiries; mini statements • Top Up - Electronic reload of airtime etc • Bill Payments - Utility or Telco bill payments • Card Acquiring - Mobile phone as a card accepting device <p>Please specify what underlying technology is used for Mobile Commerce (SMS, IVR, USSD2, WAP, JAVA etc)</p>
8.	General Processing requirements	System to have a built in interface with EFT switch (for connectivity to card associations .This facility should be for both online and batch interface. The bank should be able to switch the transactions to the payment associations.
9.	General Processing requirements	Single unique customer ID across products. This link should provide a consolidated view of the customer/relationship for all activities and promotions on the card portfolio.
10.	General	The system should be able to interface with a GL system

	Processing requirements	for various reporting purposes. Please provide the list of standard interfaces available for this reporting.
11.	General Processing requirements	The processing solution to support account balance checking, debit-credit matching, tallying of module balances with GL balances at the time of after hours batch process.
12.	General Processing requirements	Common customer service module that can be used by the call center, backroom customer service, chargebacks, risk team and operations.
13.	General Processing requirements	The processing setup should be able to provide voice support to customer queries and issues and should also be able to handle voice authorizations for merchants.
14.	General Processing requirements	Reports on the monthly/yearly debit/credit turnover in an account, maximum, minimum and average balance by month in an account.
15.	General Processing requirements	Does the system support same day capturing of application, approval and embossing of a new account possible.
16.	General Processing requirements	System should support both DES and Triple DES standards, as per mandate from the card associations and EMV requirements.
17.	General Processing requirements	The proposed solution should include a standard front end to provide user defined reports to the user group.
18.	General Processing requirements	Does the system offer Statement Generation and Balance Enquiry capabilities (Online, via ATM, IVR and potentially via sms)?
19.	General Processing requirements	Product should have an in-built security subsystem and also have facility to interface with external security systems. There should also be an audit facility to check the maintenance done by the application security team
Application Processing for cards		
20.	Application Processing	Support for both online and batch data entry for card applications (Input file from an external system should be acceptable at least twice in a day)
21.	Application Processing	Simultaneous application entry by operators in different cities or by several operators in the same city for multiple products.
22.	Application Processing	Facility to define fields for various application formats for different products.
23.	Application Processing	Data validation facility (ability to specify within field and across fields validation rules)
24.	Application Processing	System to provide facility to checking against an internal negative file and other customer database.
25.	Application Processing	System to link to an automatic letter generation system. The system should have the flexibility to specify letters in

		various formats, fonts, font sizes etc.
Card Embossing		
26.	Card Embossing	The system should be able to generate the card data along with the encryption keys. This data should be made available to the embossing unit in the format required.
27.	Card Embossing	Does the proposed system support embossing of photo and signature cards.
28.	Card Embossing	How does the system handle smart card personalization? Is there an existing interface with a personalization system? How is the key management handled by the system for smart cards?
29.	Card Embossing	How is the welcome letter generated and merged with the embossed card. Is this a part of embossing process or done separately?
30.	Card Embossing	How does the system handles re-issue and renewal of cards What are the processes in place for delivery of reissued cards, how do you handle inventory management of replacement cards?
31.	Card Embossing	Provide details for the interface and the process used for sending the cards to the customers. The tracking of the courier agency for delivery of cards and their payments based on the agreed process. Does the system have an existing interface with any courier agency?
32.	Card Embossing	Does the system permit out of batch express card embossing. Please provide details for the same.
33.	Card Embossing	Provide the information on inventory management for plastics, embossed cards and mailers in the processing setup.
34.	Card Embossing	Does the system support fourth line embossing?
Account Management		
35.	Account Management	The system to support account maintenance functions like modification of customer demographics, credit limit, cash limit, alteration of account status, account closure, etc. both online and batch mode.
36.	Account Management	Upgrade / Reinstate / Downgrade the customer and transfer existing credit history and transaction summary account master data
37.	Account Management	Support for automatic letter generation (event based-monetary and non-monetary) for product upgrade / downgrade / reinstatement.
38.	Account Management	Facility for PIN issuing and re-issuing (as a part of the batch and also on adhoc request). Can the user select/change own PIN? Can the user change the PIN on receipt of the card?

		The Pin should not change for renewed cards. PIN should be changed for lost/stolen cards
39.	Account Management	Option to blocking accounts at relationship, account and card level
40.	Account Management	Facility for generation of auto debit or direct payment request to the customer bank account.
41.	Account Management	System should provide a common front end for showing the account status (account details, card details, service issues if any etc. including a notepad) .History of all accounts of a customer should be available on a single screen.
42.	Account Management	Do you provide capability for online end user account management in the context of allowing corporate relationships to manage their accounts..
43.	Account Management	The system should support multiple addresses to be used for different purposes if required.
Card Authorizations		
44.	Authorizations	Does your Card System have the ability to receive and process authorization on cards issued under DOP Prepaid Card BIN with distinct control parameters as defined by DOP. These should include account level checks, card checks and transaction velocity / fraud control checks distinct for DOP BINs. Monitoring screens, Operational / Statistics reports and access controls for operating DOP white label BINs should be user definable whilst it is understood that existing functionality of the Bank's card systems platform will be reviewed for other requirements.
45.	Authorizations	Support for 24X7 availability for online authorisation system.
46.	Authorizations	Provide details of the network and parameter setup relating to network links to VISA, MasterCard, etc.
47.	Authorizations	Support for the relevant checks as mandated by payment associations and client policy requirements.
48.	Authorizations	Support for Merchant/terminal ID velocity check
49.	Authorizations	System to support for both online and batch authorization generation.
50.	Authorizations	Please provide details of various type of transactions supported by the system for authorizations, this should include – purchase, purchase reversal, cash advance , and cash advance reversal
51.	Authorizations	Facility to retrieve the advices of the STANDIN decisions and STIP approvals should be posted as host approvals on retrieval

52.	Authorizations	Facility to generate the warning bulletin file and logic to accept purge period for different blocks. This should be parameter based.
53.	Authorizations	Support for online card blocking at VISA / MasterCard exception files and at the host.
54.	Authorizations	The system should have an online fraud check at the time of authorization using the parameters/rules set for this purpose.
55.	Authorizations	System to provide reporting for - <ul style="list-style-type: none"> • International transactions • High Amount Transactions • STIP approved transactions • STIP declined transactions • High Risk Transactions based on transaction Type and the amount of the transaction • MCC wise velocity • Cleared Transaction Summary • Batch Authorizations Summary • Online Authorizations Summary • Full Transaction Listing • Declined Transactions • Force Posted Transactions • Manual Transactions • Credit Exposure • Over Limit Transactions • Unmatched Authorizations
Account Servicing		
56.	Account Servicing	The system to provide a front end interface with the call center agent to answer customer queries and take request for updates on the system. The specific calls should be tagged for monitoring purpose.
Transaction Processing and Chargeback Handling		
57.	Transaction processing	System should be able to handle cheque payments, cash payments, internet payments, standing instructions through an online and a batch interface with an external system.
58.	Transaction processing	System should have a functionality of a near real time update for the payments done through cash and internet

		banking.
59.	Transaction Processing	System to provide automatic tracking of chargebacks, representations and disputes
60.	Transaction Processing	Option for account adjustments and transaction transfers, allowing funds or individual transactions to be transferred between accounts.
61.	Transaction Processing	Are there instances of negative balances on your Pre Paid Card? How do you handle negative balances on Prepaid Cards.
62.	Transaction Processing	Parameter based pricing on the account and relationship level.
63.	Transaction Processing	Facility to support service tax based on certain transaction types
64.	Transaction Processing	Compliance with the MasterCard SAFE and VISA TC40. (Fraud reporting)
65.	Transaction Processing	Support the following on VISA ,MasterCard and Amex, (IN and OUT files) for <ul style="list-style-type: none"> • Chargeback (both automatic and manual) • Auto chargeback for certain type of un-authorized transactions • Presentment • Re-presentment • Retrieval request • Retrieval response • Track fee / funds • PLC settlement • On-us card settlement • Miscellaneous Transactions

ANNEXURE - IV**Processing Requirements**

No.	Category	Details Required
General Processing Requirements		
1.	General Processing requirements	Please describe in detail the data center setup you have for processing Card products. Describe the data center setup if available in India and also the details of the setup which will be used for this project.
2.	General Processing requirements	Please provide the SLA details with agreed turn around times (if any) which you may have with various hardware, software and application support vendors which would be working on this project.
3.	General Processing requirements	What would be the proposed network setup which will be used to connect the various Post Office locations to the central hub at the Data Center? Please provide the details of any agreements that may be in place with telecom service providers which would be using.
4.	General Processing requirements	Please provide details of how is the switching of transactions being done currently. How would you propose to do the switch setup for connectivity to payment associations and intra-bank switching for this project?
5.	General Processing requirements	How is the network security being handled in the processing setup? Are the links which are used for connectivity encrypted? Can you please provide a copy of the network security policy which your organization would have in place?
6.	General Processing requirements	How is data security handled in a bureau environment? Please provide the copies of certifications which you or your sub-contractors (which would be taking services from) would have on the regulatory requirements for business processing in India.
7.	General Processing requirements	How would the bank ensure that the customer data is not shared with any entity other than DOP? Does the application provide necessary security levels to handle this requirement? Please provide details of this functionality.
8.	General Processing requirements	Does the processing setup have a quality certification? Has your organization or its business units having any quality certification. Please provide copies of the certification.
9.	General	Outline the support structure of your IT organization e.g.

	Processing requirements	staff allocated to customer support, product maintenance, batch support, MIS support etc.
10.	General Processing requirements	Provide a list of the services that your service delivery group /vendor/ bank provides for production support, software development and testing support for the proposed systems.
11.	General Processing requirements	Please provide the details of the data storage and retrieval used by the processing setup. How will be data (electronic and paper files) more than 12 months stored and what will be the retrieval process for the old records. Please provide details of any policy which your company may have on this requirement.
12.	General Processing requirements	Describe your AML (Anti money laundering) & KYC (know your customer) processes. Please append a copy of these policies.
Application Processing for cards.		
13.	Application Processing	Please provide the model by which you would plan to do the data capture activity for this project. Will this be a centralized model or a Hub and spoke model?
14.	Application Processing	How will the flow of paper forms be managed for data validation and recording. Has you organization worked with any bar code system for application tracking and management.
15.	Application Processing	How would you propose to store the data – will this be in paper format or scanned. Please provide details of the proposed setup.
16.	Application Processing	Please provide the details of any interface which your system has with a scoring engine or credit bureau services. How is the interface managed with the bureau and what is the turn around time expected for each applicant.
17.	Application Processing	What is the existing throughput per person per day for a credit card or prepaid card application capture unit?
Card Personalization		
18.	Card Embossing	Please provide details of the card personalization setup which is used by your organization currently in India or abroad. Provide the number of cards embossed in 2009 in this setup.
19.	Card Embossing	Provide the details of the embossing setup which would be used for card embossing for this project. Also, share the information on any sub-contract in place with a third party embossing service provider for providing these services.
20.	Card Embossing	How does the setup handle the plastic inventory which is used for embossing?

21.	Card Embossing	How does the setup propose to handle smart card personalization? Is there an existing relationship with a smart card personalization bureau?
22.	Card Embossing	Provide details the courier tracking system which the bank would use for the card tracking and RTO management. Does the system have an existing interface with any courier agency?
23.	Card Embossing	How will PIN mailer printing be handled? Does the bank have a host security module for PIN encryption and printing? Provide details as to how will these services be carried by the bank.
24.	Card Embossing	Provide details of the technical support or maintenance contract in place for the embossing machines.
25.	Card Embossing	How is the security being managed for the embossing setup? Please provide certifications (if any) with VISA or MasterCard.
Operations Management		
26.	Operations Management	Please describe in detail the proposed operations team structure to be used in this project.
27.	Operations Management	How will customer data be managed by the operations team? What data security mechanism would be used to ensure that the data is not shared with any external agency or cross-sold other products of the bank without prior written consent of DoP.
28.	Operations Management	Describe in details the functions that will be provided by the account maintenance and transaction processing unit for card applications. Also provide the details of any sub-contractors that will be supporting this function.
29.	Operations Management	How will the operational activities be monitored? Please share an existing metrics which may be in place at the processor/ bank setup.
Account Servicing		
30.	Account Servicing	Please provide the details of the call center services which would be provided for the proposed setup. Is this a work function outsourced by the bank or it has in house skill sets to handle customer calls related to cards. Will account servicing be available? If so, what are the channels through which this will be available?
31.	Account Servicing	Please provide the network and telecommunication details of the proposed call center.
32.	Account Servicing	Please provide the workflow process which will be used in the call center setup. Will this call center also be used for handling voice authorizations?
33.	Account Servicing	Is there any CRM system which would be used by the call center agents for customer information capture and

		workflow management?
34.	Account Servicing	How will the call center agent activities monitored. Please share any existing metrics which may be in place for monitoring.
35.	Account Servicing	Would you propose to use any IVR functions as the call volumes would increase?
Statements and Letter Printing		
36.	Statements and Letter printing	Please describe in the detail printing facility for statements and letters at the processing setup. How is the workflow managed for printing activity?
37.	Statements and Letter printing	Please provide the details of the printers used by the print shop.
38.	Statements and Letter printing	Please inform the daily output of the print shop for statement and mailer printing.

ANNEXURE - V

Format for Service Level Agreement

Banks should define in their Service Level Agreement (SLA) for the offered product and maintenance, service availability, service levels and the methodology for measuring these parameters.

ANNEXURE - VI

COMMERCIALS:

The Pre-Paid cards will be supplied to DOP who in turn will sell the same to its customers through its Post Offices and other channels that DOP may enrol.

The proposals are invited under Revenue Sharing Model for a minimum period of 3 (Three) years for both Reloadable Cards and Non-Reloadable Cards, as per following details:

Revenue sharing Model:

- a. The Net revenue generated from the Pre-paid card business shall be shared between the Bank and DOP on a determined ratio as indicated in the commercial bid document for both Reloadable Cards and Non-Reloadable Cards.
- b. The Bank and DOP will be sharing the Revenue earned and the Bid has to be submitted quoting the percentage of the Revenue to be shared by the Bank. The rate quoted should be inclusive of excise, customs Service Tax and other duties/levies. The Card Association charges and other third party certification charges would be borne by the Bank.

All the other charges of Card Plastic, Marketing collateral, stationery charges., installation / maintenance of Data Centre, Network Monitoring & Maintenance and Technical/Customer Helpdesk charges etc are to the account of the Bank. All Card Association charges will be borne by the Bank. It should be noted that DOP intends to take primary membership of Card Association and BINs under which DOP Prepaid Cards are issued will be owned by DOP.

Bidders are requested to give recommended pricing to the customer and the percentage share of DOP in the table below for each class of cards. Please note the final consumer pricing will be decided by DOP possibly in consultation with the bank:

Consumer-Oriented Network Branded Reloadable Prepaid Cards (Travel, Youth/Teen, General Purpose, Remittance)

Revenue streams to be shared between Bank and DOP:

S N	Type of revenue	Estimated Pricing	DOP Share %
1	Card Issuance fee <ul style="list-style-type: none"> • Personalized Card • Unpersonalized Card 		
2	ATM Fees less Interchange paid to Acquirer Bank		
3	POS Interchange earned by Bank		
4	Load Fee/ Reload Fee		
5	Transaction Fee		
6	Lost Card Issuance Fee		
7	Re-pin Charges		
8	Forex markups on initial load and reload		
9	Unused balances / breakages/Residual card balances.		
10	Inactivity Fee		
11	Income arising out of float funds.		
12	Balance inquiry fees		
13	Shipping and handling fees		
14	Replacement card fees		
15	Paper statement fees		
16	Statement reprint fees		
17	Card to card transfer fee		
18	Others (Please specify and add rows if required)		

**Consumer-Oriented Network Branded Non Reloadable Prepaid Cards
(Travel, Gift, Remittance)**

Revenue streams to be shared between Bank and DOP:

S N	Type of revenue	Estimated Pricing	DOP Share %
1	Card Issuance fee <ul style="list-style-type: none"> • Personalized Card • Unpersonalized Card 		
2	ATM Fees less Interchange paid to Acquirer Bank		
3	POS Interchange earned by Bank		
4	Load Fee/ Reload Fee		
5	Transaction Fee		
6	Lost Card Issuance Fee		
7	Re-pin Charges		
8	Forex markups on initial load and reload		
9	Unused balances / breakages/Residual card balances.		
10	Inactivity Fee		
11	Income arising out of float funds.		
12	Balance inquiry fees		
13	Shipping and handling fees		
14	Replacement card fees		
15	Paper statement fees		
16	Statement reprint fees		
17	Card to card transfer fee		
18	Others (Please specify and add rows if required)		

Business-Oriented Network Branded Prepaid Cards (Payroll, Incentive, Employee Benefits e.g., Health Care, Wellness, Transit)

Revenue streams to be shared between Bank and DOP:

S N	Type of revenue	Estimated Pricing	DOP Share %
1	Card Issuance fee <ul style="list-style-type: none"> • Personalized Card • Unpersonalized Card 		
2	ATM Fees less Interchange paid to Acquirer Bank		
3	POS Interchange earned by Bank		
4	Load Fee/ Reload Fee		
5	Transaction Fee		
6	Lost Card Issuance Fee		
7	Re-pin Charges		
8	Forex mark-ups on initial load and reload		
9	Unused balances / breakages/Residual card balances.		
10	Inactivity Fee		
11	Incomes arising out of float funds.		
12	Balance inquiry fees		
13	Shipping and handling fees		
14	Replacement card fees		
15	Paper statement fees		
16	Statement reprint fees		
17	Others (Please specify and add rows if required)		

Government-Oriented Network Branded Prepaid Cards (Unemployment, Widow's Pension, Disaster Relief)

Revenue streams to be shared between Bank and DOP:

S N	Type of revenue	Estimated Pricing	DOP Share %
1	Card Issuance fee <ul style="list-style-type: none"> • Personalized Card • Unpersonalized Card 		
2	ATM Fees less Interchange paid to Acquirer Bank		
3	POS Interchange earned by Bank		
4	Load Fee/ Reload Fee		
5	Transaction Fee		
6	Lost Card Issuance Fee		
7	Re-pin Charges		
8	Forex markups on initial load and reload		
9	Unused balances / breakages/Residual card balances.		
10	Inactivity Fee		
11	Incomes arising out of float funds.		
12	Balance inquiry fees		
13	Shipping and handling fees		
14	Replacement card fees		
15	Paper statement fees		
16	Statement reprint fees		
17	Others (Please specify and add rows if required)		

RFP for Pre-Paid Card Project

Please indicate separately the revenue streams arising out of the following Mobile commerce transactions and the sharing between the Bank & DOP:

S N	Type of revenue	Estimated Pricing	DOP Share %
1	Domestic Money Transfer - Ability to transfer money within a market		
2	International Money Transfer - Ability to transfer money to other markets		
3	Transactional Banking - Transactions that debit/credit the Prepaid Card		
4	Informational Banking - Balance enquiries; mini statements		
5	Top Up - Electronic reload of airtime, DTH etc.		
6	Bill Payments - Utility or telephone bill payments		
7	Others (Please specify and add rows if required)		