



## REQUEST FOR PROPOSAL FOR ENGAGING AGENCY FOR IMPLEMENTATION OF OPERATIONAL RISK MANAGEMENT TOOL

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**RFP Reference No: NPCI:RFP:13-14/0032 dated:30/12/2013**

**National Payments Corporation of India**

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This RFP document is not an agreement and is not an offer or invitation by NPCI to any parties other than the applicants who are qualified to submit the Bids ("Bidders"). The purpose of this RFP document is to provide bidder with information to assist the formulation of their proposals. This RFP document does not claim to contain all the information each Bidder may require. Each Bidder should conduct its own investigations and analysis and should check the accuracy, reliability and completeness of the information in this RFP document and where necessary obtain independent advice. NPCI makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this RFP document. NPCI may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP document.

### Important Details about RFP

Note: Bids will be opened in the presence of the Bidders' representatives who choose to attend Bid opening meeting.

### Checklist

The following items must be checked before the bid is submitted:

1. Demand Draft / Pay Order for Rs. 11,236.00 (i.e. Rs.10,000+ Service Tax@12.36% only) towards cost of Bid document in Envelope - 'A'
2. Demand Draft / Banker's Cheque / Bank Guarantee of INR 10,00,000/- (Rupees Ten lakhs only )- towards Bid Security in Envelope - 'A'
3. Envelope 'A' Eligibility Criteria Response.
4. Envelope 'B' Technical Response
5. Envelope 'C' Commercial bid.
6. RFP document duly sealed and signed by the authorized signatory on every page and enclosed with Envelope - 'B'.
7. All the pages of Eligibility Criteria Response, Technical Bid and Commercial Bid duly sealed and signed by the authorized signatory.
8. Prices to be quoted in Indian Rupees (INR).
9. All relevant certifications, audit reports, to be enclosed to support claims made in the Bid must be in relevant Envelopes.
10. All the pages and documents submitted as part of the Bid must be duly sealed and signed by the authorized signatory.

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**Section 1 - BID Schedule and Address**

S.No.	Description	
1	Name of Project	Request for Proposal for engaging agency for implementation of operational risk management tool
2	Tender Reference Number	NPCI:RFP:2013-14/0032 dated:30/12/2013
3	Date of publication on NPCI website	30.12.2013
4	Last date and time of receiving Bidders' Pre-bid clarifications in writing	14.01.2014
5	Date and Time for Pre-bid Meeting	Not Applicable
6	Address for Pre-bid Meeting	Not Applicable
7	Last date and time for Bid Submission	31.01.2014 - 3.00 PM
8	Address for Sale of Bidding Document and Place of Bid Submission	National Payments Corporation of India, 08 <sup>th</sup> Floor, R- Tech Park, Nirlon Knowledge Park, Near HUB Mall, Opp. Western Express Highway Goregaon (E), Mumbai - 400 063.
9	Date and Time of Eligibility Bid Opening	30.01.2014 - 3.30 PM.
10	Date and Time of Technical Bid Opening	Eligible bidders would be informed.
11	Date and Time of Commercial Bid Opening	Technically qualified bidders would be informed
12	Name and Address for communication	VP & Head - IT Procurement. National Payments Corporation of India, 08 <sup>th</sup> Floor R- Tech Park, Nirlon Knowledge Park, Near HUB Mall, Opp. Western Express Highway Goregaon (E), Mumbai - 400 063.
13	Bid Related Queries	Mr. Srikanth K Email:srikanth.kuppuswamy@npci.org.in Contact No: +91 8108186522 Mr. Prashant Awale Email id: prashant.awale@npci.org.in Contact No:+91 8108108650 Mr. Benny Joseph Email id: benny.joseph@npci.org.in Contact No:+91 8108122844
14	Bid cost	Rs. 11,236/- (Inclusive of taxes @12.36% )
15	Bid Security	Rs.10,00,000/-

**Note:**

1. Bids will be opened in the presence of the bidders' representatives who choose to attend the bid opening meeting.

2. Date and Time of Technical and Commercial Bid Opening will be intimated later.

3. Bid Cost: DD shall be made in favor of "National Payments Corporation of India" for an amount of Rs. 11,236.00 inclusive of taxes (Non-Refundable) payable at Mumbai.

## **Section 2 - Introduction**

### **2.1 About NPCI:**

National Payments Corporation of India (NPCI) is a Company registered under Section 25 of the Companies Act, 1956 with its Registered Office in Mumbai, India. NPCI is promoted by 10 banks in India under the aegis of the Indian Banks' Association with majority shareholding by Public Sector Banks.

The 10 promoter banks are State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Bank of India, Union Bank of India, ICICI Bank Ltd, HDFC Bank Ltd, Citibank N.A, and HSBC. The vision, mission and objectives of NPCI are to operate for the benefit of all the Member Banks and the common man at large.

### **2.2 Objective of this RFP:**

The objective of the RFP is to procure a tool which will help to automate the Operational Risk Management framework & to enhance NPCI's systems to enable management of Operational risk in an integrated, efficient & effective manner.

### **2.3 Cost of the RFP:**

The Bidder shall bear all costs associated with the preparation and submission of its bid and NPCI will, in no case, be held responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

The Bidders shall submit the Bid Document at NPCI's office at 8th Floor, R-Tech Park, off Western Express Highway, Nirlon Complex, Near Hub Mall, Goregaon-East, Mumbai- 400063, along with non-refundable amount of 11,236/- (Inclusive of taxes @12.36% ) (INR Eleven thousand Two hundred Thirty Six only) in envelope A, payable in the form of Demand Draft / Pay order from any scheduled commercial bank in India favoring "NATIONAL PAYMENTS CORPORATION OF INDIA" payable at Mumbai. This RFP document is non-transferable and cost of RFP document is non-refundable.

### **2.4 Due Diligence**

The Bidders are expected to examine all instructions, terms and specifications stated in this RFP. The Bid shall be deemed to have been submitted after careful study and examination of this RFP document. Failure to furnish all information or submission of a bid not responsive to this RFP will be at the Bidders' risk and may result in rejection of the bid. NPCI is not bound to disclose the grounds for rejection of Bid. The decision of NPCI regarding the final declaration of the successful Bidder shall be final.

The Bidder is requested to carefully examine the RFP documents and the terms and conditions specified therein, and if there appears to be any ambiguity, contradictions, inconsistency, gap and/or discrepancy in the RFP document, Bidder should seek necessary clarifications through Pre-Bid queries.

### **2.5 Ownership of this RFP**

The content of this RFP is a copyright material of National Payments Corporation of India. No part or material of this RFP document should be published on paper or electronic media without the prior written permission from NPCI.

## Section 3 - Scope of Work

### 3.1 Scope of Work:

Operational Risk, which is intrinsic to NPCI in all its material products, activities, processes and systems, is emerging as an important component of the enterprise-wide risk management system. Recognizing the importance of Operational Risk Management, NPCI has adopted a Comprehensive Operational Risk Management Policy. This would entail NPCI to move towards enhanced level of sophistication in the years ahead and to capture qualitative and quantitative measures of Operational Risk indicators in management of operational risk.

NPCI has a comprehensive system of internal controls, systems and procedures to monitor and mitigate risk. NPCI has also institutionalized new product approval process to identify the risk inherent in the new product and activities. NPCI carries out a comprehensive Self-Assessment exercise spanning all the risk areas and evolved a road map to move towards implementation of the framework. The program of Risk Management, Organizational Structure, Risk measures, risk data compilation and reporting has been getting implemented for a period of time in NPCI.

NPCI has taken steps in these directions and this RFP is intended to invite Techno-Commercial bids from eligible Bidders to provide end-to-end solution for implementation of Operational Risk Management system.

Finally selected bidder based on this RFP terms and conditions should supply, install and commission a comprehensive Operational Risk Management system. It should be implemented at all locations as decided by NPCI.

The solution offered should be web based, three tier architecture, open platform and support data transfer and consolidation both from the networked and stand-alone system either online or dial up. The process should be automated with facility to schedule transfer of data. The solution should be scalable and capable to handle increased volumes. It must support both centralized and hybrid deployment.

The Bidder will have to provide the necessary interface to the existing applications as required.

By means of diagrammatic / pictorial representations, the Bidder should provide complete details of the hardware, software and network architecture of the Operational Risk Management System for Advanced Approaches including source / method of data capture and transfer, validation, updation and database maintenance for all locations. The proposed solution should cover all the existing locations and should have the capability to scale up for meeting future requirements.

The solution will be implemented in all locations as decided by NPCI. The Bidder should assist for implementation in below mentioned 4 locations. The Bidder should install and commission the solution and integrate with the NPCI's applications.

Locations

1 Mumbai

2 Chennai

3 Hyderabad

4 Delhi

The system should have the capacity to integrate via two factor authentication.

The system should be implemented in all the locations within 3 months of signing of contract and/or issue of purchase order. Final sign-off will be given only after successful implementation of the system. Details of functional and technical requirements are provided in *Section 3.1* of this document.

The Bidder should provide hardware systems, operating system, database, ORMS (Operational Risk Management System) application software and other necessary software & hardware required for the successful implementation of the proposed solution.

The Bidder shall charge no additional charge for the default product customizations which are provided by the Bidder.



The Bidder has to ensure that vulnerabilities at application level in case of any breach shall be handled by the offered application software.

The Bidder has to upgrade servers/ storage at no extra cost to NPCI, in case the offered configuration does not meet the requirements, for six years from the implementation start-date.

The Bidder may propose a storage to meet the requirements. The proposed hardware at the data centre must be in active-passive cluster with external storage with back up tape library and support with no single point of failure.

A complete Bill of Material for the hardware required for the successful running of the solution should also be provided by the Bidder, with full particulars like make, model, part numbers, proposed configuration, including all details like memory type proposed with future expandability, processor type, number of processors, processor speed, future expandability, bus speed, etc. and clearly show no single point of failure. Please refer Annexure T2: *Bill of Material format*

The Bidder should specify the hardware requirement taking into consideration of efficiency level, response time, data processing requirement, number of users, and all other parameters to ensure that the efficiency of software system is not affected because of hardware. The Bidder will certify that the hardware specified is adequate for meeting performance standards set by NPCI, and it takes full responsibility of upgrading hardware without any extra cost to NPCI, if at the time of implementation or any time subsequently it is found that the hardware specified requires upgrade. At any point of time during the contract period, the CPU utilization should neither exceed 60% of its capacity nor should the Hard Disk utilization exceed 60% of its capacity at the Primary Data Centre. In case the hard disk utilization exceeds 60%, the additional hardware has to be provided by the Bidder at no further cost.

The Bidder must ensure no hardware equipment or software, for which 'End-of- Sale' has been declared, is offered as part of this RFP. None of the hardware or software should have an 'End-of-Support' mandated by the respective OEM within six years from date of initial successful commissioning of hardware.

The Bidder should also provide NPCI with the number of racks required for the servers / equipment and associated infrastructure, as well as power requirements (average, peak and rated power) and any other requirements for the servers / equipment (Network and security requirements, switches, routers etc) and associated infrastructure for DC (data centre).

Sizing of equipment, hardware etc. as required, depending on the functionalities required by NPCI as mentioned in the RFP, should be provided by the Bidders for processing of existing portfolio of NPCI with increase in volumes at approximately 20% p.a. and addition of new products/instruments and data maintenance for a minimum period of six years.

### **Implementation**

1. The Bidder should implement an enterprise version of Operational Risk Management System including Advanced Approaches.
2. The Bidder is to give an undertaking to implement the solution at all locations at NPCI.
3. As part of implementation all data migration (as and when required) from the existing systems will be done by the Bidder.
4. The Bidder will also support parallel run of the existing systems (as and when required).

### **Facilities Management (FMS) and Helpdesk**

The Bidder is required to provide Helpdesk services till the completion of the implementation across all locations at NPCI. Facility Management services will be provided by the bidder till the end of the project. The bidder is required to indicate the resource requirements for FMS in the Bill of Material.

### **Facilities Management:**

Facilities Management would include support for all hardware, application software, etc which would be provided by the Bidder.

Bidder should elaborate on FMS like number of resources required post implementation and detail it accordingly in Bill of Material. FMS services should be provided for entire project duration (3 years of warranty & 3 years of maintenance)

#### Helpdesk:

Helpdesk refers to availability of resources to record and respond to events and incidents related to the application, hardware & software implemented as per the scope of this RFP. Helpdesk services should be only provided till implementation of the system.

#### Information Security

System should have standard input, communication, processing and output validations and controls. System hardening should be done by the Bidder. Access controls at DB, OS, and Application levels should be ensured.

The implementation of the ORM tool should cover the following parameters:

Sr No	Operational Risk Functional Requirements
A	<b>Risk &amp; Controls Self-Assessment (RCSA)</b>
A1	The tool should be able to facilitate the documentation and assess operational risks, define controls, manage audits, and implement recommendations and remediation plans.
A2	The tool should integrate all ORM related data and processes including a reusable library of risks and their corresponding controls and assessments, results from individual assessments, key risk indicators, events such as losses and near-misses, and issues and remediation plans in an integrated solution.
A3	The tool should have the features to upload, plan and facilitate, track and report the risk and control self- assessment process on an organization wide basis. The tool should support uploads & downloads via xlsx, docx, pptx, csv, pdf formats.
A4	Tool should have customized templates for rolling out RCSA across all the business and Support units. The Bidder should assist in customizing the RCSA templates to suit the requirements of NPCI.
A5	Once key risks are identified and prioritized, the ORM solution should provide a flexible framework to define a set of controls to mitigate those risks. It should support control assessments based on predefined criteria and checklists. It should also provide an advanced mechanism for scoring, tabulating, and reporting the results.
A6	The tool should have the capability to map the existing Organization Structure to the relevant Business Lines which should contain the hierarchy & work flow for the process.
A7	End users should be able to rate the identified risks and controls also able to update & approve the items for their respective areas.
A8	It is desired that the tool should have the ability to compute residual risk values based on the ratings applied for risks and controls for each process step.
A9	The tool should be able to re-run the past assessments based on the revised scale when there is a change in the rating scales.
A10	The tool should enable logical structuring of the self -assessment scenarios into units, departments and business lines including the Organization structure.
A11	The Tool should be able to aggregate the different ratings and identify outliers.
A12	The tool should have the capability to automatically communicate the identified outliers to the respective users for further clarifications through e-mail, SMS or other appropriate modes.
A13	The tool should have the capability to reclassify/categorize the operational risks in the defined template.

A14	The tool should have the capability to generate the defined and desired heat maps automatically.
A15	The tool should have the capability to record action points arising out of RCSA exercise with agreed timelines with the ageing calculation.
A16	The tool should be able to follow up for unresolved action points and generate status report for the same.
A17	The tool should have the capability to customize the logic & design used for creating Heat Maps (preferably through a master user setting)
A18	The tool should be able to capture loss scenarios and map to loss events and business line.
A19	The tool should have a dashboard facility to view the risk profiles by business area, business unit etc.
A20	The software should have the ability to track process ownership, assessment plans, remediation status, etc. on graphical charts that provide real-time information globally. Information can be drilled down to deeper levels.
A21	For issues arising from the assessment and auditing processes or from any other external events such as loss-events, scenario analyses, or “near-misses, the solution should provide seamless issue management and remediation management capabilities. It should help trigger automatic alerts and notifications for the appropriate personnel to begin investigation and remedial actions.
A22	The tool should be able to generate test plan, template design based upon timelines in action points.
A23	The ORM solution should have the ability to track risk profiles, control ownership, assessment plans, remediation status, etc. on heat maps and graphical charts that can be accessed globally and display real-time information. The facility to drill-down helps provide an easy way to access the data at finer levels of detail.
A24	The tool should be able to capture testing results and track corrective action plans till closure.
A25	The tool should generate heat maps based on testing results .The same should be compared to initial heat maps to highlight the shift in risk levels.
A26	The tool should be capable of supporting different RCSA methodologies.
A27	The Bidder should conduct a sample run of the entire RCSA exercise as per the process mentioned by NPCI.
A28	The Bidder should extend assistance in customizing various reports and MIS.
	The Bidder should provide assistance in customization of Risk Register & provide the Risk library database along with the system.
<b>B</b>	<b>Risk Impact</b>
B1	The tool should have the capability to capture operational losses as per the threshold decided by the NPCI. Presently, NPCI has set a threshold at Rs. 10000 that needs to be incorporated in the tool. The tool should be able to generate a matrix of loss events and business lines.
B2	The tool should have dashboard facility to view the loss event in different impact bucket by business area
B3	The tool should have the facility to customize/map loss data reports as per the NPCI's needs.
B4	The external loss data points in the external loss database should have the following data points,

	<ul style="list-style-type: none"> <li>• Loss information</li> <li>• Description</li> <li>• Supplementary analytic data</li> </ul>
B5	The tool should have the capability to track and report loss incidents.
B6	The tool should have the capability to plan Audit calendar & track the open Audit points till closure
C	<b>Key Risk Indicators (KRI)</b>
C1	The tool should enable users to upload plan and facilitate tracking and reporting on an organization-wide basis of the KRI process.
C2	The tool should allow assignment of accountability to each KRI.
C3	The tool should have the ability to take values from different users and consolidate them at various levels such as business function, location and business line.
C4	The tool should be able to generate a dashboard, generate reports and analyze trends based on logic approved by NPCI.
C5	Tool should cull out continuous red (high risk) and amber (medium risk) indicators and automatically intimate the person responsible for that KRI.
C6	The tool should record, suggest and monitor action points arising out of red and amber indicators with agreed timelines.
C7	The tool should be able to follow up (as per escalation matrix) for unresolved action points and generate status report for the same.
C8	The tool should allow reassessment of indicators and thresholds.
C9	The Bidder should extend assistance in customizing various reports and MIS.
C10	The tool should allow the user to run various mathematical and statistical functions. The tool should be able to provide graphical outputs for the same.
C11	Tool should have capability to integrate all the data elements viz. external loss data, internal loss data, scenario data, business environment and internal control factors and generate capital numbers. The Bidder should be able to provide the logic of usage/ combination of the above data elements.
C12	The tool should identify the relationship between losses and the provided indicators and can the tool, rank the provided indicators against the loss event categories based on the best fit computation of the identified relationship parameters
C13	The tool should rank arrive at scaling methodology for losses at each cell based on the above relationship
C14	The tool should support Extreme Value theory for fat tail events (Low frequency high severity - LFHS). The Bidder should be able to develop operational VAR for LFHS events using Extreme value theory
C15	The tool should have a functionality to combine frequency and severity distributions via statistical techniques to form a total loss distribution for each loss type/business line combination. The Bidder should independently develop and validate the mixing of frequency and severity distribution using statistical tools.
C16	The tool should have advanced analytics functions such as: tool capability to extrapolate from the distribution of observed total loss points curve to determine the likely amount of total losses, etc. The Bidder should be able to carry out advanced analytics function.

C17	Tool should support administration and facilitation of the templates designed for respective assessors for various risk types and business lines. The templates should be customizable
C18	Tool should support the risk VAR measure to reflect various confidence levels e.g. 95%, 99.9% etc. The Bidder should independently develop and validate VAR using statistical tools.
C19	Tool should support back testing and the Bidder should be able to carry out back testing.
C20	The software should provide bulk data loading facilities to load the data in database. Following is expected to be bulk loaded: A. Loss events with financial impacts (losses and recoveries) B. Business structures (business lines, risk categories, causes, management organizations, legal organizations etc.) C. KRI (& RCSA ), Scenario data
C21	All the processes of the tool (including approaches for stress testing) should be adequately documented for ease of review and verification by NPCI, external parties or by the regulator. The Bidder should provide adequate assistance during such reviews. All the documentation of models should include the key assumptions and key sensitivities of the models. The Bidder should be able to carry out stress testing.
<b>D</b>	<b>Process mapping &amp; Reporting structures</b>
D1	Tool should provide Multi- Hierarchy Structure Management: Multiple hierarchies or structures permit data to be viewed and managed across more than one dimension with adequate access and edit permissions as specified by NPCI.
D2	Tool should have the capability to maintain inventory of processes and reports at least for seven years
D3	Tool should support the break-down of processes into logical process steps with linkages to underlying procedures, unit responsibility and they should be able to be linked to RCSA, KRI and Loss event
<b>E</b>	<b>Verification &amp; validation process</b>
E1	The tool should have the capability to implement NPCI defined verification & validation process and should fulfill all audit and compliance requirements.
E2	The tool should be able to intake the process flow as mentioned by NPCI.
E3	As per the process flow, the tool should have the capability to initiate the verification & validation process and track the progress of various process steps as per the timelines provided by NPCI.
E4	Tool should provide all the information as may be required for independent review of operational risk management framework
<b>F</b>	<b>Risk Reporting</b>
F1	Periodic reports to be generated on loss event types highlighting the findings of RCSA, Audit, Loss, Potential loss and Near Miss data, KRI and Scenarios.
F2	The tool should be capable of generating performance measurement reports measured vis-a-vis RCSA results, KRI status and action taken by units/business lines.
F3	Tool should provide linkages between RCSA, KRI, loss data and audit processes as required by NPCI.

F4	The tool should provide a drill through heat map.
F5	The tool should provide drill down reporting.
F6	The tool should have adequate graphical reporting tools for reporting loss event data
F7	Tool should support KRI dials for the dashboard reporting
F8	Tool supports to build various MIS reports Loss matrix, Trend analysis, Issues and action plan status report etc., as per the requirements of NPCI.
F9	Tool should support slice and dice of structure values and filtering of risk areas simultaneously
F10	The tool should aggregate the RCSA scores of risk events to arrive at a Companywide RCSA profile
F11	The tool should generate reports pertaining to outstanding issues and/or action plans emanating from RCSA/KRI/Loss Data Analysis at any given date
F12	The Bidder should provide post implementation support, configuration training and end user training.

#### Number of Users:

The number of registered users for the Tool would be 50 and the number of users for the tool is expected to grow at 10% within 6 months of the implementation.

## **Section 4 - Eligibility Criteria**

### **4.1 Pre-requisite:**

The Bidder should possess the requisite experience, resources and capabilities in providing the services necessary to meet the requirements, as described herein. The Bidder should also possess the technical know-how and the financial wherewithal that would be required to complete the scope of work. The Bid must be complete in all respects and should cover the entire scope of work as stipulated in the document. Bidders not meeting the Eligibility Criteria will not be considered for further evaluation.

### **4.2 Eligibility Criteria:**

The invitation to Bid is open to all Bidders who qualify the Eligibility Criteria as given below:

**4.2.1** The Bidder must have a presence in India for at least 3 years and should have global average revenues in excess of INR 50 Cr. for the last three financial years i.e. 2010-11, 2011-12 & 2012-13.

**4.2.2** The proposed Original Equipment Manufacturer (OEM) must have a presence in India for at least last 3 years and should have Indian revenues in excess of 5 Cr. for the last 3 financial years i.e. 2010-11, 2011-12 & 2012-13.

**4.2.3** The Bidder should have made Net Profit (after all taxes etc.) during the last three financial years i.e. 2010-11, 2011-12 & 2012-13.

**4.2.4** The Bidder should own the intellectual property rights of the product / solution or he should have rights from the owner. If not, the Bidder should have in place proper tie-ups/ commercial agreements/ authorized implementation partnership for deployment/ resale/ customization of software with the OEM whose software products are offered.

**4.2.5** The Bidder and OEMs should not have been blacklisted at the time of submission by the Central/any of the State Governments/ statutory body/ regulatory body/Indian Banks Association in India.

**4.2.6** The Bidder should be company registered under the Companies Act, 1956 since the last three years with an established set-up with support of adequate staff and an office in India.

**4.2.7** The Bidder should have implemented the Operational Risk Solution for at least two (Global/ Indian) BFSI Clients in the past one year.

### **4.3 Eligibility Criteria Response Sheet**

**4.3.1** The Bidders should complete the Eligibility Criteria Response Sheet as given in Annexure - E.

**4.3.2** Failure to provide the desired information and documents may lead to disqualification of the Bidder.

## **Section 5 - Instruction to Bidders**

### **A. The Bidding Document**

#### **5.1 RFP:**

1. RFP shall mean Request for Proposal.
2. Bid, Tender and RFP are used to mean the same.
3. The Bidder is expected to examine all instructions, forms, Terms and Conditions and technical specifications in the Bidding Document. Submission of a Bid not responsive to the Bidding Document in every respect will be at the Bidder's risk and may result in the rejection of its Bid without any further reference to the Bidder.
4. NPCI reserves the right to take any decision with regard to RFP process for addressing any situation which is not explicitly covered in the RFP document.

#### **5.2 Cost of Bidding**

**5.2.1** The Bidder shall bear all costs associated with the preparation and submission of its Bid and NPCI will in no case be responsible or liable for those costs.

#### **5.3 Contents of the bidding documents**

The Bid shall be in 3 separate envelopes, Envelope A, B and C. The contents of the Envelopes are mentioned in clause 5.13.

#### **5.4 Clarifications of Bidding Documents and Pre-bid Meeting**

**5.4.1** A prospective Bidder requiring any clarification of the Bidding Documents may notify NPCI in writing at NPCI's address or through email any time prior to the deadline for receiving such queries as mentioned in Section 1. The replies/clarifications will be uploaded on NPCI's website/tenders.

**5.4.2** Bidders should submit the queries only in the format given below:

Sr. No.	Document Reference	Page No.	Clause No.	Description in RFP	Clarification Sought	Additional Remark (if any)



## 5.5 Amendment of Bidding Documents

**5.5.1** At any time prior to the deadline for submission of Bids, NPCI may for any reason, whether at its own initiative or in response to a clarification requested by a Bidder, amend the Bidding Documents.

**5.5.2** Amendments will be provided in the form of Addenda/ Corrigenda to the Bidding Documents, which will be published on NPCI's website. Addenda / Corrigenda will be binding on Bidders. It will be assumed that the amendments contained in such Addenda/ Corrigenda had been taken into account by the Bidder in its Bid.

**5.5.3** In order to afford Bidders reasonable time to take the amendment into account in preparing their bids, NPCI may, at its discretion, extend the deadline for submission of the Bids, in which case, the extended deadline will be published on NPCI's website.

**5.5.4** From the date of issue, the Addenda / Corrigenda to the tender shall be deemed to form an integral part of the RFP.

### B Preparation of Bid

## 5.6 Bid Price

**5.6.1** Prices quoted in the bid should include all costs including all applicable taxes, duties levies, VAT/Sales Tax/Service Tax and fees whatsoever, except Octroi.

**5.6.2** The VAT/Sales Tax/Service Tax should be shown separately in the final Price schedule.

## 5.7 Earnest Money Deposit (EMD) /Bid Security

**5.7.1** The Bidder shall submit Earnest Money Deposit of Rs. 10,00,000/- (Rupees Ten lakh only) in the form of a Demand Draft / Pay order from a scheduled commercial bank in India drawn in favor of "National Payments Corporation of India" payable at Mumbai or by way of a Bank Guarantee valid for 180 days, as per format in Annexure A1 or A2.

**5.7.2** No interest shall be payable on the EMD.

## 5.8 Return of EMD

**5.8.1** EMDs furnished by all unsuccessful Bidders will be returned on the expiration of the bid validity / finalization of successful Bidder, whichever is earlier.

**5.8.2** The EMD of successful Bidder shall be returned / refunded after furnishing Performance Guarantee as required in this RFP.

## 5.9 Forfeiture of EMD

The EMD made by the bidder will be forfeited if:

**5.9.1** The Bidder withdraws his Bid before opening of the Bids.

**5.9.2** The Bidder withdraws his Bid after opening of the Bids but before Notification of Award.

**5.9.3** Failure to accept the order by the Selected Bidder within 14 days from the date of receipt of the Notification of Award makes the EMD liable for forfeiture at the discretion of NPCI. However, NPCI reserves its right to consider at its sole discretion the late acceptance of the order by selected Bidder.

**5.9.4** The selected Bidder withdraws his Bid / proposal before furnishing Performance Guarantee.

**5.9.5** The Bidder violates any of the provisions of the RFP up to submission of Performance Bank Guarantee.

**5.9.6** If a Bidder makes any statement or encloses any form which turns out to be false, incorrect and/or misleading or information submitted by the Bidder turns out to be incorrect and/or conceals or suppresses material information.

#### **5.10 Period of Validity of Bids:**

Bids shall remain valid for a period of **180 days** after the date of bid opening as mentioned in Section 1 or as may be extended from time to time. NPCI holds the right to reject a bid valid for a period shorter than 180 days as non-responsive, without any correspondence.

#### **5.10 Format of Bid:**

**5.10.1** The Bidders shall prepare one hard copy (Marked as 'ORIGINAL') and one soft copy of the Technical Bid marking it as "Technical Bid-Soft copy". In case of any discrepancy between them, the original shall govern.

#### **5.11 Signing of Bid:**

**5.11.1** The Bid shall be signed by a person or persons duly authorized to sign on behalf of the Bidder.

**5.11.2** The Bid shall be signed by a person or persons duly authorized to bind the Bidder to the contract. Such authority shall be either in the form of a written and duly stamped power of attorney (format given in Annexure H) or a Board Resolution duly certified by the company's competent authority, extract of which duly certified as true copy should accompany the Bid.

**5.11.3** All pages of the Bid, except for printed instruction manuals and specification sheets shall be initialed by the person or persons signing the Bid.

**5.12.4** The Bid shall contain no interlineations, erasures, or overwriting, except to correct errors made by the Bidder, in which case such corrections shall be initialed by the person or persons signing the Bid.

### **C Submission of Bid**

#### **5.12 Envelope Bidding Process:**

**5.12.1** The Bid shall be prepared in 3 different envelopes, Envelope A, Envelope B and Envelope C.

**5.12.2** Each of the 3 Envelopes shall then be sealed and put into an outer envelope marked as '***Request for Proposal for Implementation of Operational Risk Management Tool***'

**5.12.3** The inner and outer envelopes shall:

1. be addressed to NPCI at the address mentioned in Section 1.
2. The inner envelopes shall indicate the name and address of the Bidder.
3. If the outer envelope is not sealed and marked as indicated, NPCI will assume no responsibility for the Bid's misplacement or premature opening.

### 5.13 Contents of the 3 Envelopes:

**5.13.1 Envelope 'A'** should be super scribed as **Eligibility Criteria**. The following documents shall be inserted inside Envelope A:

1. Bid Earnest Money in the form of Demand Draft - Annexure A1

OR

- 1A. Bid Earnest Money in the form of Bank Guarantee - Annexure A2
2. Bid Offer form (without price) - Annexure B
3. Bidder Information - Annexure C
4. Manufacturers (OEM) Authorization Form - Annexure D
5. Eligibility Criteria Response Sheet - Annexure E
6. Declaration of Acceptance of Terms and Conditions - Annexure F
7. Declaration of Acceptance of the Scope of Work - Annexure G
8. Power of Attorney format - Annexure H
9. Last three years audited Balance sheet and profit and loss statements.
10. Declaration regarding Clean Track Record - Annexure T2
11. Authorization Letter - Annexure J
12. RFP document duly sealed and signed by the authorized signatory on every page

**5.13.2 Envelope 'B'** should be super scribed as **Technical Bid**:

The following documents shall be inserted inside Envelope B

1. Compliance to Technical Specifications - Annexure T
2. Client Reference - Annexure T3
3. Detailed Bill of materials with line item details, quantity and functional details.
4. Masked Price Bid. Annexure C2, Annexure M and Annexure N without price.
5. The solution document for all components which would include hardware, software, etc. with the detailed steps for implementation including the project plan on how ORM tool would be implemented.
6. Service Support Details - Annexure I

**Envelope 'C'** should be super scribed as **Commercial Bid**:

1. Commercial Offer Form - Annexure C1
2. Commercial Proposal - Annexure C2, Annexure M, Annexure N.

### 5.14 Bid Submission:

**5.15.1** Bids sealed in accordance with the Instructions to Bidders should be delivered at the address as mentioned in Section 1.

**5.15.2** The offers should be made strictly as per the formats enclosed.

**5.15.3** No columns of the tender should be left blank. Offers with insufficient / inaccurate information and Offers which do not strictly comply with the stipulations given in this RFP, are liable for rejection.

### 5.15 Bid Currency:

All prices shall be expressed in Indian Rupees only.

### 5.16 Bid Language:

The Bid shall be in English Language.

## **Rejection of the Bid**

The Bid is liable to be rejected if:

- 1 The document doesn't bear signature of authorized person.
- 2 It is received through Fax/E-mail.
- 3 It is received after expiry of the due date and time stipulated for Bid submission.
- 4 Incomplete/incorrect Bids, including non-submission or non-furnishing of requisite documents / Conditional Bids / Bids not conforming to the terms and conditions stipulated in this Request for Proposal are liable for rejection by NPCI.
- 5 No Bid shall be rejected at Bid opening, except for late Bids.

### **5.17 Deadline for Submission:**

The last date of submission of bids is given in Section 1, unless amended by NPCI through its website.

### **5.18 Extension of Deadline for submission of Bid:**

NPCI may, at its discretion, extend this deadline for submission of bids by amending the Bidding Documents which will be intimated through NPCI website, in which case all rights and obligations of NPCI and Bidders will thereafter be subject to the deadline as extended.

### **5.19 Late Bid:**

Bids received after the scheduled time will not be accepted by NPCI under any circumstances. NPCI will not be responsible for any delay due to postal service or any other means.

### **5.20 Modifications and Withdrawal of Bids:**

**5.21.1** Bids once submitted will be treated as final and no modification or withdrawal thereof is permissible. No further correspondence will be entertained on this. Any further correspondence is liable to disqualify the Bidder and his Bid.

**5.21.2** No Bid will be modified after the deadline for submission of Bids.

### **5.21 Right to Reject, Accept/Cancel the bid:**

**5.22.1** NPCI reserves the right to accept or reject, in full or in part, any or all the offers without assigning any reason whatsoever.

**5.22.2** NPCI does not bind itself to accept the lowest or any Bid and reserves the right to reject all or any Bid or cancel the RFP without assigning any reason whatsoever. NPCI also has the right to re-issue the RFP without the Bidders having the right to object to such re-issue.

### **5.22 RFP Abandonment:**

NPCI may at its discretion abandon the process of the selection of Bidder any time before notification of award.

### **5.23 Bid Evaluation Process:**

The Bid Evaluation will be carried out in 3 stages:

Stage 1 - Envelope A: Eligibility Criteria will be evaluated. Only those Bidders who have submitted all the required forms and papers and comply with the eligibility criteria will be considered for further evaluation.

Stage 3 - Envelope B: Technical Criteria would be evaluated. Only those Bidders who have submitted all the required forms and papers and comply with the technical criteria will be considered for further evaluation.

Stage 2 - Envelope C: Commercial bid will be opened only for the shortlisted Bidders who qualify after Technical Evaluation.

#### **5.24 Contacting NPCI:**

From the time of Bid opening to the time of Purchase Order award, if any Bidder wishes to contact NPCI for seeking any clarification on any matter related to the Bid, it should do so in writing by seeking such clarification/s from an authorized person. Any attempt to contact NPCI with a view to canvas for a Bid or put any pressure on any official of the NPCI may entail disqualification of the concerned Bidder or its Bid.

## **Section 6 - Bid Opening**

### **6.1 Opening of Bids:**

Bids will be opened in 3 phases:

Phase 1 - In the first phase only the Eligibility Criteria i.e. Envelope A will be opened.

Phase 2- In the second phase only the technical bids i.e. Envelope B will be opened.

Phase 3- In the second phase the Commercial Bids i.e. Envelope C will be opened.

### **6.2 Opening of Eligibility Criteria Bids**

**6.2.1** NPCI will open Envelope 'A' in presence of Bidders' representative(s) who choose to be present on the date, time and address mentioned in Section 1 or as amended by NPCI from time to time.

**6.2.2** The representatives of the bidders have to produce an authorization letter from the Bidders by way of letter or email to represent them at the time of opening of Technical bids. Only one representative will be allowed to represent each Bidder. In case the Bidders' representatives are not present at the time of opening of bids, the bids will still be opened at the scheduled time at the sole discretion of the NPCI.

**6.2.3** The bidders' representatives who are present shall sign the register evidencing their attendance. In the event of the specified date of bid opening being declared a holiday for NPCI, the bids shall be opened at the appointed time and place on next working day.

### **6.3 Opening of Technical Bids:**

**6.3.1** NPCI will open Envelope 'B' in presence of Bidders' representative(s) who choose to be present on the date, time and address mentioned in Section 1 or as amended by NPCI from time to time.

**6.3.2** The representatives of the Bidders have to produce an authorization letter from the Bidders by way of letter or email to represent them at the time of opening of Technical bids. Only one representative will be allowed to represent each Bidder. In case the Bidders' representatives are not present at the time of opening of bids, the bids will still be opened at the scheduled time at the sole discretion of the NPCI.

**6.2.3** The Bidders' representatives who are present shall sign the register evidencing their attendance. In the event of the specified date of bid opening being declared a holiday for NPCI, the bids shall be opened at the appointed time and place on next working day.

**6.2.4** The bidders scoring more than 70% of the total technical score will be technically qualified and will be considered eligible for commercial bid opening.

### **6.4 Opening of Commercial Bids**

**6.4.1** The Commercial bids of Bidders qualified in Technical Evaluation will be opened and evaluated further.

**6.4.2** Only those Bids that are technically qualified will be eligible for opening of commercial bids.

## **Section 7 - Bid Evaluation**

### **7.1 Preliminary Examination of Technical Bids:**

- 7.1.1** NPCI will examine the Bids to determine whether they are complete, whether required information have been provided as underlined in the Bid document, whether the documents have been properly signed, and whether Bids are generally in order.
- 7.1.2** Eligibility and compliance to all the forms and Annexure would be the first level of evaluation. Only those Bids which comply to the eligibility criteria will be taken up for further technical evaluation.
- 7.1.3** NPCI may waive any minor informality, non-conformity or irregularity in a bid that does not constitute a material deviation provided such waiver does not prejudice or affect the relative ranking of any Bidder.
- 7.1.4** If a Bid is not substantially responsive, it will be rejected by NPCI and may not subsequently be made responsive by the Bidder by correction of the nonconformity.
- 7.1.5** Envelope A will be evaluated first and those who fulfill the eligibility criteria will be eligible for technical evaluation.
- 7.1.6** NPCI may interact with the Customer references submitted by Bidder, if required.

### **7.2 Evaluation of Technical Bids:**

The Technical Evaluation will be based on the following broad parameters:

Scope of Work

Prior experience of the Bidder in undertaking projects of similar nature.

Compliance to Technical Specifications as specified in the RFP.

NPCI reserves the right to call for presentation and discussions on the features etc., from the short-listed Bidders based on the technical bids submitted by them to make an evaluation. Such presentations and minutes of meetings will become part of the technical bid.

Review of written reply, if any, submitted in response to the clarification, if any, sought by NPCI.

To assist in the examination, evaluation and comparison of bids, NPCI may, at its discretion, ask any or all the Bidders for clarification and response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.

NPCI may interact with the customers, whose references have been submitted by bidder, if required.

Bidders are required to provide documentary evidence, wherever available, for the technical specifications.

The bidders scoring more than 70% of the total technical score will be technically qualified and will be considered eligible for commercial bid opening.

## Scoring Matrix

The technical evaluation will be based on the criteria and score given below:

	Description	Score
<b>Technical Evaluation Part - A</b>		<b>30</b>
	Technical Requirements compliance as per Annexure-T	
1	Project phases, deliverables and timeframe for Project Completion	
2	Service provider /System Integrator credentials	
3	Managed Service and Remote NOC credentials	
<b>Proposed Solution Part - B</b>		<b>40</b>
	Requirements specified as per Annexure T2	
1	Software, RDBMS & Environmental software	
2	Hardware	
3	Implementation, system integration, training	
4	AMC	
5	Facilities Management	
<b>RFP Presentation Part - C</b>		<b>30</b>
1	RFP presentation	
2	Reference site	
3	Q and A	
<b>Total Score of Part - A, B and C</b>		<b>100</b>

## 7.3 Evaluation of Commercial Bids:

**7.3.1** Commercial bids of only the technically qualified short-listed bidders will be opened and evaluated.

**7.3.2** Arithmetical errors in the Bids submitted shall be treated as follows:

- Where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern; and
- Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate will govern unless, in the opinion of the NPCI, there is obviously a gross error such as a misplacement of a decimal point, in which case the line item total will govern.
- Where there is a discrepancy between the amount mentioned in the bid and the line item total present in the Commercial Bid, the amount obtained on totaling the line items in the Commercial Bid will govern.



#### 7.4 Successful Evaluated Bidder:

- 7.4.1** Bidders qualified in the technical evaluation process, would be eligible for commercial bid opening. Bidder with the lowest commercial bid will be declared as successful evaluated Bidder who will be called L1 Bidder.

## Section 8 : TRAINING

### 1.1 Product Training

- The Bidder should provide product training to NPCI team and NPCI nominated personnel/members. Bidder must ensure that adequate training is provided to NPCI Operations/Technical staff/nominated personnel.
- The Bidder should provide information on the training courses offered, duration of each module. Bidder should clearly come out with the training schedule and infrastructure required for imparting such training. NPCI would require training to be given to separate group of officials handling operation or technical.
- Training would be provided by the bidder before a module / service goes live. Bidder has to provide training on various aspect of solution as described in this chapter.

### 1.2 Operational Training

- All modules should include sufficient manuals describing usage and operational procedures.
- All modules should include manuals describing parameter usage and configuration.
- The Bidder will provide core documentation including any customized changes specific to NPCI.
- All modules will include an IT Operations Trouble Shooting guide.

### 1.3 Technical Training

- The Bidder should provide comprehensive training on all modules of the Operational Risk Management Solution.
- The Bidder should provide simulator training.
- All modules will include manuals describing usage and technical details of setup, configuration and parameterization for various test cases in the simulator.
- The Bidder should provide training on configuration of various rules in the simulator for performing various test cases.
- The Bidder should provide training on building and testing of new rules in the simulator.
- The Bidder should provide training on Configuration and parameterization of various modules stating the impact of each configurable parameter.
- The Bidder should provide comprehensive training on errors and exceptions handling with special emphasis on meaning and interpretation of various errors and exceptions.
- The Bidder should provide core documentation including any customized changes specific to NPCI.

### 1.4 General Requirements for Training

- NPCI will specify the number of personnel who will attend the training sessions & the number of man hours of the requirement of training.

- The bidder shall bear all the cost of the training program if it conducted at any location other than Mumbai. The cost would include travelling charges (Economy class airfare), boarding & lodging expenses for the required trainings as a part of the solution.
- NPCI reserves the right of normalization on the scope of training after evaluating all the bids.
- The Bidder should ensure that Training on all 3 aspects (product, operational & technical) for all services should be conducted when the system is ready to go live.

## **Section 9 - Terms and Conditions**

### **9.1 Notification of Award/Purchase Order:**

**9.1.1** After selection of the L1 Bidder and after obtaining internal approvals and prior to expiration of the period of Bid validity, NPCI will send Notification of Award /Purchase Order to the selected Bidder.

**9.1.2** Once the selected Bidder accepts the Notification of Award the selected Bidder shall furnish the Performance Bank Guarantee to NPCI.

**9.1.3** Upon the successful Bidder furnishing the Performance Bank Guarantee, NPCI will promptly notify each unsuccessful Bidder and will discharge all remaining EMDs, if any.

### **9.2 Term of the contract**

NPCI will avail services of the selected bidder for a period of 5 years. The engagement would be reviewed on half-yearly basis and will be renewed annually subject to satisfactory services. In case, any of the bidders continuously fail to meet the defined performance obligation, NPCI reserves the right to award the entire work for the remaining period to other successful bidder, upon cancellation of the contract with the bidder who failed to meet the performance obligation. However, this is without prejudice to NPCI's right to cancel/terminate the engagement based on the other provisions of the RFP.

### **9.3 Signing of Contract**

**9.3.1** Within 30 days of receipt of the Purchase Order or as mutually agreed the successful Bidders shall execute the Contract with NPCI.

**9.3.2** The term of this Contract shall be initially for a period of five years commencing from the date of the Acceptance of the solutions.

Failure of the successful Bidders to comply with the above requirements shall constitute sufficient grounds for the annulment of the award.

#### **9.4 Acceptance of the Purchase Order:**

**9.4.1** Within 5 days of receipt of Notification of Award/Purchase Order the successful Bidder shall send the acceptance.

**9.4.2** Failure of the successful Bidder to comply with the above requirements shall constitute sufficient grounds for the annulment of the award.

#### **9.5 Taxes and Duties:**

**9.5.1** All taxes deductible at source, if any, at the time of release of payments, shall be deducted at source as per then prevailing rates while making any payment.

**9.5.2** Commercial Bid should be inclusive of all taxes, duties, charges and levies of State or Central Governments as applicable, VAT/Sales Tax, insurance, service taxes etc. Octroi, if any, shall be reimbursed to supplier by NPCI at actual on production of original receipt.

**9.5.3** The benefits realized by Bidder due to lower rates of taxes, duties, charges and levies shall be passed on by the Bidder to NPCI.

#### **9.6 Terms of Delivery:**

**9.6.1** The solution shall be implemented within 12 weeks of date of receipt of the Purchase Order.

#### **9.7 Penalty for default in delivery:**

**9.7.1** If the Bidder does not deliver the entire hardware and software and implement the solution, as per the above delivery schedule, or such authorized extension of delivery period as may be permitted in writing by NPCI, NPCI shall impose a penalty as given below:

**9.7.2** Non Delivery of above at NPCI - at the rate of 0.5% of the total Purchase Order value for each week's delay beyond the stipulated delivery period subject to a maximum of 5%.

**9.7.3** In case the delay exceeds 10 days beyond the stipulated delivery period of RFP, NPCI reserves the right to cancel the order without prejudice to other remedies available to NPCI.

**9.7.4** Without any prejudice to NPCI's other rights under the Applicable Law, NPCI may recover the liquidated damages, if any, accruing to NPCI, as above, from any amount payable to the bidder, as per this Purchase Order.

#### **9.7.5 Performance Bank Guarantee**

Successful Bidder shall submit Performance Bank Guarantee equal to 10 % of the PO value valid for 3 years from the date of receipt of the Purchase Order with an action period of 12 months as per NPCI format attached vide Annexure-A hereto, within 14 days of receipt of the Notification of Award or Purchase Order. The Bank Guarantee shall be extended for next 2 years with an action period of 12 months.

#### **9.8 Warranties and Maintenance**

**9.8.1** The tool shall have the comprehensive On-site warranty of 3 years from the date of implementation of solution and accepted by NPCI.

**9.8.2** Bidder guarantees the whole of the tool against any defects or failure, which arise due to faulty materials, workmanship or design (except materials or design furnished by NPCI).

If during the Warranty Period, the tool is found to be damaged or defective or not acceptable, they shall promptly be replaced or rectified /re-furnished or rendered by Bidder at its own cost (including the cost of dismantling and reinstallation) on the request of NPCI and if removed from the Site for such purpose, Bidder has to provide standby tool till the original tool is repaired or replaced / re-furnished, rendered. The tool shall be removed and re-delivered to NPCI by Bidder at its own cost.

### 9.9 Service Level agreement:

NPCI expects that the Bidder shall be bound by the Service Levels described in this document. Service Levels will include Availability measurements and Performance parameters. NPCI requires the Bidder to provide reports for all availability and performance parameters a log of all issues that have been raised and Closed/ Pending Closure by the Bidder. The frequency of these reports would be Weekly, Monthly, Quarterly and Yearly. Apart from reports on each availability and performance measurement parameter mentioned below, the reporting should also include the following:

1. Utilization of CPU, RAM, Hard Disk, I/O (Peak and Average)
2. Percent of CPU utilized by the system and user activity.
3. CPU utilization broken down by user CPU and system CPU. Tabular report of CPU, Memory, NIC and I/O utilization (peak and average) by application, if possible.
4. Percent of physical memory utilized by system and user processes.
5. Problem Trends
6. Call Resolution Time

However, all Availability and Performance Measurements will be on a monthly basis for the purpose of Service Level reporting. Audits will normally be done on monthly/quarterly basis or as required by NPCI and will be performed by NPCI or NPCI appointed third party agencies.

#### SLA for Hardware & Software

Availability Measurements	Expected Service Levels	Base Amount on which the penalty will be calculated
Availability of Business Infrastructure (Core Application Servers, Core Database Servers, Storage, Switch, Tape Library, and related components etc.) in DC	99.9%	Value of the said business Infrastructure for DC, as the case may be.
Availability of all other infrastructure, all other software components and Test and Development Infrastructure	95%	Value of the relevant Infrastructure

The term 'business infrastructure' mentioned in this document shall include all capital costs of hardware, associated software and RDBMS (at DC, as the case may be) delivered as of the point of time when the penalty is levied. The cost of AMC from the 4th year onwards will not be treated as capital cost and therefore excluded. The business infrastructure shall also exclude the capital cost of all components related exclusively to other infrastructure and Test and Development infrastructure, for the purpose of penalty calculation.

Type of Infrastructure	Measurement	Expected Service Level	Base Amount on which penalty will be calculated
System Response Time	End to End response time within the DC (from the ORMS Application to the Database and back) should be < 0.5 ms	99.9%	The bidder is to upgrade the Hardware along with related software and services without any additional cost to NPCI, if service level not met

	(milliseconds)		Till Service level is met, penalty will be charged on the value of the business infrastructure at DC, as the case may be.
Disaster Recovery Site Availability	Business operations to resume from Disaster Recovery Site within 4 hours of the Data Centre failing and vice versa	100%	Penalty will be charged on the value of the business infrastructure at DC as the case may be.
Data Point Availability	Recovery Point Objective (RPO) of 30 minutes	100%	Penalty will be charged on the value of the business infrastructure at DC as the case may be.

### 9.10 Penalty on SLA

The Bidder shall perform its obligations under the agreement entered into with NPCI, in a professional manner.

If any act or failure by the Bidder under the agreement results in failure or inoperability of systems and if NPCI has to take corrective actions to ensure functionality of its property, NPCI reserves the right to impose penalty, which may be equal to the cost it incurs or the loss it suffers for such failures.

NPCI shall impose penalty to the extent of damage to its any equipment, if the damage was due to the actions directly attributable to the staff of Bidder.

NPCI shall implement all penalty clauses after giving due notice to the Bidder.

If the Bidder fails to complete the due performance of the contract in accordance with the specification and conditions of the offer document, NPCI reserves the right either to cancel the order or to recover up to 10% of the contract amount as deemed reasonable as Penalty / Liquidated Damage for non-performance.

Failure to maintain uptime SLA/ timelines/ milestones will attract penalty as given in *Section 9.9*

## 9.11 Payment Terms:

### 9.11.1 Payment terms are as under:

- **Hardware**
  - 20% of the cost shall be paid after delivery of Goods at the specified location.
  - 70% of the cost shall be paid after successful Installation of hardware along with the software at specified locations. This would also include successful implementation of solution and sign off obtained from NPCI thereon.
  - Balance 10% of the cost of Goods shall be paid after expiry of the warranty period of 3 years or upon submission of Bank Guarantee from a scheduled commercial Bank for an equivalent amount valid till expiry of the warranty period.
- **Software**
  - 90% payment shall be paid after installation of software and 10% shall be released after 3 months from the date of installation of software.
- **Implementation charges**
  - 100 % of the implementation cost will be paid on completion of installation and acceptance sign-off from NPCI
- **Training Charges**
  - 100% of the additional training cost, would be paid on completion of the training
- **AMC:**
  - Payment shall be made quarterly in arrears after the expiry of warranty.
- **Facility management:**
  - The on-site support charges shall be paid monthly in arrears.
  - The monthly invoices along with attendance sheet duly certified by the authorized officials of NPCI should be submitted within 10 days of the last day of the relevant month.



**9.11.2** Payment will be released within 30 days of the receipt of correct Invoice along with supporting documents.

#### **9.12 Price:**

Price shall remain fixed for a period of 12 months from the date of Notification of award / Purchase Order. There shall be no increase in price for any reason whatsoever and therefore no request for any escalation of the cost / price shall be entertained.

#### **9.13 Extension of Contract and Repeat Orders**

**9.13.1** NPCI shall reserve the sole right to grant any extension to the term above mentioned and shall notify in writing to the Supplier, at least 6 months before the expiration of the Term hereof, whether it will grant the solution provider an extension of the Term.

**9.13.2** Where NPCI is of the view that no further extension of the term be granted to the supplier, NPCI shall notify the successful bidder/Supplier of its decision at least 6 (six) months prior to the expiry of the Term. Upon receipt of such notice, the Supplier shall continue to perform all its obligations hereunder, until another six months time beyond the Term of the Contract within which, NPCI shall either select another solution provider or create its new infrastructure to operate such Services as are provided under this Contract.

**9.13.3** NPCI has right to alter (increase or decrease) the number of quantities in the Bill of Materials (equipment and links) mentioned in the RFP.

**9.13.4** NPCI has right to place repeat order to the Supplier for any or all of the equipment or links or any services mentioned in this RFP for one year from the date of first PO.

#### **9.14 Intellectual Property:**

**9.14.1** Intellectual Property Rights in all Standard software and all off-the-shelf software shall remain vested in the owner of such rights.

**8.10.2** All Software licenses would need to be procured by the bidder in the name of NPCI. Any defective equipment /software relevant to the tool supplied by Bidder shall be replaced by Bidder at no additional cost to NPCI, including all incidental cost like transport costs, etc. the upgrades, new releases (Minor/major) versions; bug fixes etc. for the hardware and system software will be supplied to NPCI at no extra cost, with the necessary documentation during warranty and AMC period.

#### **9.15 Confidentiality:**

The Bidder and subcontractors if any shall (whether or not he submits the tender) treat the details of the documents as secret and confidential.

The Bidder's obligations under this Section shall extend to the non-publicizing of any dispute arising out of the Purchase Order. Successful Bidder shall execute a Non-Disclosure agreement with NPCI as per Annexure-1

#### **9.16 Indemnity**

The Bidders shall indemnify, protect and save NPCI and hold NPCI harmless from and against all claims, losses, costs, damages, expenses, action suits and other proceedings, (including reasonable attorney fees), relating to or resulting directly or indirectly from:

- (i) an act of omission or commission of the Bidder, its employees, its agents, or employees of its sub-contractors in the performance of the services provided by the Purchase Order,
- (ii) breach of any of the terms of the Purchase Order or breach of any representation or warranty or false statement or false representation or inaccurate statement or assurance or covenant by the Bidder,
- (iii) bonafide use of the deliverables and or services provided by the Bidder,

- (iv) misappropriation of any third party trade secrets or infringement of any patent, trademarks, copyrights etc. or such other statutory infringements in respect of all components provided to fulfill the scope of this project,
- (v) employment claims made by the employees, sub-contractor, sub-contractor's employees, who are deployed by the Bidder, under this Purchase Order,
- (vi) breach of confidentiality obligations of the Bidder,
- (vii) gross negligence or gross misconduct solely attributable to the Bidder or by any agency, contractor, subcontractor or any of their employees by the bidder for the purpose of any or all of the obligations under this contract.

The Bidder shall further indemnify NPCI against any loss or damage arising out of loss of data, claims of infringement of third-party copyright, patents, or other intellectual property, and third-party claims on NPCI for malfunctioning of the equipment or software or deliverables at all points of time, provided:

- (i) NPCI notifies the Bidder in writing immediately on being aware of such claim,
- (ii) The Bidder has sole control of defense and all related settlement negotiations.

Bidder shall be responsible for any loss of data, loss of life, etc. due to willful misconduct of Bidder's representatives, and not just arising out of gross negligence or misconduct, etc., as such liabilities pose significant risk.

The Bidder shall indemnify NPCI (including its employees, directors or representatives) from and against claims, losses, and liabilities arising from:

1. Non-compliance of the Bidder with Laws / Governmental Requirements.
2. Intellectual Property infringement or misappropriation.
3. Negligence and misconduct of the Bidder, its employees, sub-contractor and agents.
4. Breach of any terms of Agreement, Representation or Warranty.
5. Act of omission or commission in performance of service.
6. Loss of data.

Indemnity would be limited to court awarded damages and shall exclude indirect, consequential and incidental damages. However, indemnity would cover damages, loss or liabilities, compensation suffered by NPCI arising out of claims made by its customers and/or regulatory authorities.

Bidder shall indemnify, protect and save NPCI against all claims, losses, costs, damages, expenses, action, suits and other proceedings, resulting from misappropriation of any third party trade secrets or infringement of any patent, trademarks, copyrights etc. or such other statutory infringements under any laws including the Copyright Act, 1957 or Information Technology Act 2000 in respect of all the hardware, software and network equipment's or other systems supplied by them to NPCI from whatsoever source, provided NPCI notifies the Bidder in writing as soon as practicable when NPCI becomes aware of the claim, however:

- (i) the Bidder has sole control of the defense and all related settlement negotiations
- (ii) NPCI provides the Bidder with the assistance, information and authority reasonably necessary to perform the above and
- (iii) NPCI does not make any statements or comments or representations about the claim without the prior written consent of the Bidder, except where NPCI is required by any authority/ regulator to make a comment / statement/ representation. Indemnity would be limited to court or arbitration awarded damages and shall exclude indirect, consequential and incidental damages and compensations. However indemnity would cover damages, loss or liabilities suffered by NPCI arising out of claims made by its customers and/or regulatory authorities.

### 9.17 Compliance with Applicable Laws of India

The Bidder shall undertake to observe, adhere to, abide by, comply with and notify NPCI about all laws in force or as are or as made applicable in future, pertaining to or applicable to them, their business, their employees or their obligations towards them and all purposes of this Contract and shall indemnify, keep indemnified, hold harmless, defend and protect NPCI /officers/staff/personnel/representatives/agents from any failure or omission on its part to do so and against all claims or demands of liability and all consequences that may occur or arise for any default or failure on its part to conform or comply with the above and all other statutory obligations arising there from.

The Bidder shall promptly and timely obtain all such consents, permissions, approvals, licenses, etc., as may be necessary or required for any of the purposes of this project or for the conduct of their own business under any applicable Law, Government Regulation/Guidelines and shall keep the same valid and in force during the term of the project, and in the event of any failure or omission to do so, shall indemnify, keep indemnified, hold harmless, defend, protect and fully compensate NPCI and its employees/officers/staff/personnel/representatives/agents from and against all claims or demands of liability and all consequences that may occur or arise for any default or failure on its part to conform or comply with the above and all other statutory obligations arising there from and NPCI will give notice of any such claim or demand of liability within reasonable time to the Bidder.

### 9.18 Legal Compliances

The Bidder confirms to NPCI that its personnel/ employees/staff are covered under the provision of various Acts enacted for the protection and benefits of workmen /employees /staff or otherwise such as Employees State Insurance Act and Employees Provident Fund Miscellaneous Provision Act etc. and such other Acts like Profession Tax Act etc. as applicable and that Bidder is duly registered under the provisions of the said Acts and is complying with the provisions of the Acts.

The Bidder shall allow NPCI as well as regulatory authorities to verify books in so far as they relate to compliance with the provisions of these Acts and shall provide on demand by NPCI & regulatory authorities such documentary proof as may be necessary to confirm compliance in this regard. NPCI shall not be responsible in any event to the employees of Bidder for any of their outstanding claims or liability in that regard. NPCI shall not be responsible for any claim or demand made by such personnel for their dues outstanding against Bidder.

### 9.19 Compliance of Labour and other Law.

The Bidder shall comply with all the statutory requirements as are applicable from time to time and shall be solely responsible for fulfilment of all legal obligations under various statutes including Contract Labour (Regulation and Abolition) Act 1970, Minimum Wages Act, Workmen Compensation Act, EPF & Miscellaneous Provisions Act, Shop and Establishment Act etc. Bidder shall keep NPCI indemnified against any dues/compensation or any other liability of any nature whatsoever due to non-fulfilment of any of the statutory provision under any statute/byelaws/ notification etc. including industrial laws. NPCI shall have full right to recover any claim and liability incurred towards payment of any dues, compensation or cost from Bidder and deducts it from its outstanding subsequent bills.

### 9.20 Replacement of Resources

NPCI shall consider at its sole judgment that the Resource(s) provided by Bidder as unsuitable for the job for whatsoever reason, NPCI shall have the option either (1) to terminate the Purchase Order in part or as a whole or (2) to request Bidder for prompt replacement within 7 days at bidder's cost.

In case any key resource working on the project wants to leave from service then Bidder shall take proper handover from the candidate before relieving him/her from the job so that NPCI operations shall not be affected.

## 9.21 Bidder's Liability

### 9.22 The selected Bidder will be liable for all the deliverables.

**8.18.1** The Bidder's aggregate liability in connection with obligations undertaken as part of the Project regardless of the form or nature of the action giving rise to such liability (whether in contract, tort or otherwise), shall be at actual and limited to the value of the contract/Purchase Order.

**8.18.2** The Bidder's liability in case of claims against NPCI resulting from gross misconduct or gross negligence of the Bidder, its employees, contractors, and subcontractors or from infringement of patents, trademarks, copyrights or such other Intellectual Property Rights or breach of confidentiality obligations shall be unlimited.

**8.18.3 Liquidated Damages:** The parties hereby agree that if due to negligent act of the Bidder or non-fulfillment of any obligations under the Purchase Order, NPCI suffers any losses or incurs damages the Bidder would be fully liable to the total value of the contract/Purchase Order.

## 9.23 Force Majeure

**9.23.1** Notwithstanding the provisions of the RFP, the successful bidder or NPCI shall not be liable for penalty or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the contract is the result of an event of Force Majeure. For purposes of this clause, "Force Majeure" means an event beyond the control of the Bidder and not involving NPCI or Bidder's fault or negligence and not foreseeable. Such events may include, but not restricted to wars, revolutions, epidemics, natural disasters etc.

**9.23.2** If force majeure situation arises, the Bidder shall promptly notify NPCI in writing of such condition and cause thereof. Unless otherwise directed by NPCI in writing, the Bidder shall continue to perform its obligations under the contract as far as possible. If the Event of Force Majeure shall continue for more than twenty (20) days, either party shall be entitled to terminate the Contract at any time thereafter without notice. Neither party shall have any liability to the other in respect of the termination of this Contract as a result of an Event of Force Majeure.

## 9.24 Resolution of Disputes

All disputes or differences arising out of or in connection with the Contract between NPCI and the Bidder shall be settled amicably through good-faith negotiation between senior management of both parties. If, however, the parties are not able to resolve them, the same shall be settled by Arbitration in accordance with the applicable Indian Laws, and the award made in pursuance thereof shall be binding on the parties. Any appeal shall be subject to the exclusive jurisdiction of courts at Mumbai. The Governing Law is of India.

**9.24.1** NPCI and the Bidder shall make every effort to resolve amicably by direct informal negotiation, any disagreement or dispute arising between them under or in connection with the Contract/Purchase Order.

**9.24.2** If, NPCI and the Bidder have been unable to resolve amicably a Contract dispute even after a reasonably long period, either party may require that the dispute be referred for resolution to the formal mechanisms specified herein below. These mechanisms may include, but are not restricted to, conciliation mediated by a third party and/or adjudication in an agreed national forum.

**9.24.3** The dispute resolution mechanism to be applied shall be as follows:

1. In case of disputes or difference arising between NPCI and the Bidder relating to any matter arising out of or connected with this Contract, such disputes or difference shall be settled in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof and rules framed thereunder from time to time. Where the value of the Contract is above Rs 1.00 core, the arbitral tribunal shall consist of 3 arbitrators, one each to be appointed by NPCI and the Bidder. The third Arbitrator shall be chosen by mutual discussion between NPCI and the Bidder. The third arbitrator shall act as the presiding arbitrator.

2. Arbitration proceedings shall be held at Mumbai, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English;
3. The decision of the majority of arbitrators shall be final and binding upon both parties. The cost and expenses of Arbitration proceedings will be paid as determined by the arbitral tribunal. However, the expenses incurred by each party in connection with the preparation, presentation, etc., of its proceedings as also the fees and expenses paid to the arbitrator appointed by such party or on its behalf shall be borne by each party itself;
4. Where the value of the contract is Rs1.00 core and below, the disputes or differences arising shall be referred to the Sole Arbitrator. The Sole Arbitrator should be appointed by agreement between the parties.
5. In case, during the Arbitration proceedings, the parties hereto mutually settle, compromise or compound their dispute/s or difference/s, the reference to the arbitrator and the appointment of the arbitrator or the arbitrators or the presiding arbitrator, as the case may be, shall stand withdrawn or terminated with effect from the date on which the parties hereto file a joint memorandum of settlement thereof with the arbitrator or the arbitrators and the presiding arbitrator, as the case may be.

### 9.25 Governing Law and Jurisdiction

The Contract shall be governed by and interpreted in accordance with the laws of the Union of India. The jurisdiction and venue of any action with respect to the subject-matter of this Contract shall be the Courts of Mumbai in India and each of the parties hereto submits itself to the exclusive jurisdiction and venue of such courts for the purpose of any such action.

### 9.26 Fraudulent and Corrupt Practice

“Fraudulent Practice” means a misrepresentation of facts in order to influence a procurement process or the execution of the project and includes collusive practice among Bidder’s (prior to or after Bid submission) designed to establish Bid prices at artificial non-competitive levels and to deprive the NPCI of the benefits of free and open competition.

Corrupt Practice” means the offering, giving, receiving or soliciting of anything of value, pressurizing to influence the action of a public official in the process of project execution.

NPCI will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for, or in executing, the project.

### 9.27 Termination of Contract

#### For Convenience

NPCI by written notice sent to the Bidder may terminate the contract in whole or in part at any time for its convenience giving three months prior notice. The notice of termination shall specify that the termination is for convenience the extent to which performance of the bidder under the contract is terminated and the date upon which such termination become effective.

#### For Insolvency

NPCI may at any time terminate the contract by giving written notice to the Bidder, if the Bidder closes its office in India or becomes bankrupt or insolvent. In this event, termination will be without compensation to the Bidder, provided that such termination will not prejudice or affect any right of action of remedy which has accrued or will accrue thereafter to NPCI.

#### For Non-performance

NPCI reserves its right to terminate the contract in the event the Bidder repeatedly fails to deliver in accordance with the scope of work given in the Contract.

### 9.28 Effect of Termination

1. The Bidder agrees that it shall not be relieved of its obligations under the reverse transition mechanism, notwithstanding the termination of the assignment, same terms (including payment terms) which were applicable during the term of the contract should be applicable for reverse transition services
2. The Bidder agrees that after completion of the Term or upon earlier termination of the assignment the Bidder shall, if required by NPCI, continue to provide facility to NPCI at no less favorable terms than those contained in this RFP. In case NPCI wants to continue with the Bidder's facility after the completion of this contract then the Bidder shall offer the same or better terms to NPCI. Unless mutually agreed, the rates shall remain firm.

NPCI shall make such prorated payment for services rendered by the Bidder and accepted by NPCI at the sole discretion of NPCI in the event of termination, provided that the Bidder is in compliance with its obligations till such date. However, no payment for "costs incurred, or irrevocably committed to, up to the effective date of such termination" will be admissible. There shall be no termination compensation payable to the Bidder.

Termination shall not absolve the liability of NPCI to make payments of undisputed amounts to the Bidder for services rendered till the effective date of termination. Termination shall be without prejudice to any other rights or remedies a party may be entitled to hereunder or at law and shall not affect any accrued rights or liabilities or either party nor the coming into force or continuation in force of any provision hereof which is expressly intended to come into force or continue in force on or after such termination.

Upon cancellation of contract/completion of period of service, the bidder should handover the peaceful legal possession of all the assets provided and obtain discharge from NPCI. NPCI also reserves the right to assign or allot or award the contract to any third party upon cancellation of the availed services.

### 9.29 Order Cancellation

NPCI reserves its right to cancel the order in the event of one or more of the following situations, that are not occasioned due to reasons solely and directly attributable to NPCI alone;

- i. Delay in customization / implementation / installation beyond the specified period as set out in the Purchase Order before acceptance of the product; or,
- ii. Serious discrepancy in the quality of service / hardware / functionality of software expected during the implementation, rollout and subsequent maintenance process.
- iii. If a Bidder makes any statement or encloses any form which turns out to be false, incorrect and/or misleading or information submitted by the bidder turns out to be incorrect and/or conceals or suppresses material information.

In case of order cancellation, any payments made by NPCI to the Bidder for the particular product would necessarily have to be returned to NPCI with interest @ 15% per annum from the date of each such payment. Further, the Bidder would also be required to compensate NPCI for any direct loss incurred by NPCI due to the cancellation of the Purchase Order and any additional expenditure to be incurred by NPCI to appoint any other Bidder. This is after repaying the original amount paid. The Bidder should treat the details of the documents as secret and confidential. Responses submitted by the bidder to this RFP represent a firm offer to contract on the terms and conditions described in the RFP document.

### 9.30 Applicable Law

The Contract shall be interpreted in accordance with the laws of the Union of India and the Bidder shall agree to submit to the courts under whose exclusive jurisdiction the Registered Office of NPCI falls.

### 9.31 Addresses for Notices

Following shall be address of NPCI and Bidder

NPCI address for notice purpose:

The Chief Executive Officer  
C-9<sup>th</sup> 8<sup>th</sup> Floor, RBI Premises  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051

BIDDER's address for notice purpose :( **To be filled by BIDDER**).

## ***Section 10 -Technical Requirements.***

Sr. No.	Operational Risk Functional Requirements
A	Risk & Controls Self-Assessment (RCSA).
A1	The tool should document and assess operational risks, define controls, manage audits, and implement recommendations and remediation plans. The tool should integrate all ORM related data and processes --including a reusable library of risks and their corresponding controls and assessments, results from individual assessments, key risk indicators, events such as losses and near-misses, and issues and remediation plans in an integrated solution.
A2	The tool should have the features to upload, plan and facilitate, track and report the risk and control self- assessment process on an organization -wide basis.
A3	Tool should have customized templates for rolling out RCSA across all the business and Support units. The Bidder should assist in customizing the RCSA templates to suit the requirements of the company.
A4	Once key risks are identified and prioritized, the ORM solution should provide a flexible framework to define a set of controls to mitigate those risks. It should support control assessments based on predefined criteria and checklists. It should also provide an advanced mechanism for scoring, tabulating, and reporting the results.
A5	The tool should have the capability to map the existing Organization Structure to the relevant Business Lines.
A6	End users should be able to rate the identified risks and controls.
A7	The tool should have the ability to compute residual risk values based on the ratings applied for risks and controls for each process step.
A8	The tool should be able to re-run the past assessments based on the revised scale when there is a change in the rating scales.
A9	The tool should enable logical structuring of the self -assessment scenarios into units, departments and business lines.
A10	The Tool should be able to aggregate the different ratings and identify outliers.
A11	The tool should have the capability to automatically communicate the identified outliers to the respective users for further clarifications through e-mail or other appropriate modes.
A12	The tool should have the capability to reclassify/categorize the operational risks.
A13	The tool should have the capability to generate heat maps automatically
A14	The tool should record action points arising out of RCSA exercise with agreed timelines.
A15	The tool should be able to follow up for unresolved action points and generate status report for the same.
A16	The tool should have the capability to customize the logic used for creating Heat Maps (preferably through a master user setting).
A17	The tool should be able to capture loss scenarios and map to loss events and business line.
A18	The tool should have a dashboard facility to view the risk profiles by business area, business unit etc.
A19	The software should have the ability to track process ownership, assessment plans, remediation status, etc. on graphical charts that provide real-time information globally. Information can be drilled down to deeper levels.



A20	For issues arising from the assessment and auditing processes or from any other external events such as loss-events, scenario analyses, or “near-misses, the solution should provide seamless issue management and remediation management capabilities. It should help trigger automatic alerts and notifications for the appropriate personnel to begin investigation and remedial actions.
A21	The tool should be able to generate test plan based upon timelines in action points.
A22	The ORM solution should have the ability to track risk profiles, control ownership, assessment plans, remediation status, etc. on heat maps and graphical charts that can be accessed globally and display real-time information. The facility to drill-down helps provide an easy way to access the data at finer levels of detail.
A23	The tool should be able to capture testing results and track corrective action plans till closure.
A24	The tool should generate heat maps based on testing results .The same should be compared to initial heat maps to highlight the shift in risk levels.
A25	The tool should be capable of supporting different RCSA methodologies
A26	The Bidder should conduct a sample run of the entire RCSA exercise as per the process mentioned by the Company.
A27	The Bidder should extend assistance in customizing various reports and MIS.
B	Loss Data
B1	The tool should have the capability to capture operational losses as per the threshold decided by the Company. Presently, NPCI has set a threshold at Rs 10000 that needs to be incorporated in the tool. The tool should be able to generate a matrix of loss events and business lines.
B2	The tool should have dashboard facility to view the loss event in different impact bucket by business area.
B3	The tool should have the facility to customize/map loss data reports as per NPCI's needs.
B4	The external loss data points in the external loss database should have the following data points, <ul style="list-style-type: none"> <li>• Loss information</li> <li>• Description</li> <li>• Supplementary analytic data</li> </ul>
B5	The tool should have the capability to track and report loss incidents.
C	Key Risk Indicator (KRI)
C1	The tool should enable users to upload plan and facilitate tracking and reporting on an organization-wide basis of the KRI process.
C2	The tool should allow assignment of accountability to each KRI
C3	The tool should have the ability to take values from different users and consolidate them at various levels such as business function, location and business line.
C4	The tool should be able to generate a dashboard, generate reports and analyze trends based on logic approved by NPCI.
C5	Tool should cull out continuous red (high risk) and amber (medium risk) indicators and automatically intimate the person responsible for that KRI.
C6	The tool should record, suggest and monitor action points arising out of red and amber indicators

	with agreed timelines.
C7	The tool should be able to follow up (as per escalation matrix) for unresolved action points and generate status report for the same.
C8	The tool should allow reassessment of indicators and thresholds.
C9	The Bidder should extend assistance in customizing various reports and MIS
C10	The tool should allow the user to run various mathematical and statistical functions. The tool should be able to provide graphical outputs for the same.
C11	Tool should have capability to integrate all the data elements viz. external loss data, internal loss data, scenario data, business environment and internal control factors and generate capital numbers. The Bidder should be able to provide the logic of usage/ combination of the above data elements.
C12	The tool should identify the relationship between losses and the provided indicators and can the tool, rank the provided indicators against the loss event categories based on the best fit computation of the identified relationship parameters.
C13	The tool should rank arrive at scaling methodology for losses at each cell based on the above relationship.
C14	The tool should support Extreme Value theory for fat tail events (Low frequency high severity - LFHS). The Bidder should be able to develop operational VAR for LFHS events using Extreme value theory.
C15	The tool should have a functionality to combine frequency and severity distributions via statistical techniques to form a total loss distribution for each loss type/business line combination. The Bidder should independently develop and validate the mixing of frequency and severity distribution using statistical tools.
C16	The tool should have advanced analytics functions such as: tool capability to extrapolate from the distribution of observed total loss points curve to determine the likely amount of total losses, etc. The Bidder should be able to carry out advanced analytics function.
C17	Tool should support administration and facilitation of the templates designed for respective assessors for various risk types and business lines. The templates should be customizable.
C18	Tool should support the risk Var measure to reflect various confidence levels e.g. 95%, 99.9% etc. Bidder should independently develop and validate VAR using statistical tools.
C19	Tool should support back testing and the Bidder should be able to carry out back testing.
C20	The software should provide bulk data loading facilities to load the data in database. Following is expected to be bulk loaded: D. Loss events with financial impacts (losses and recoveries) E. Business structures (business lines, risk categories, causes, management organizations, legal organizations etc.) F. KRI (& RCSA ), Scenario data
C21	All the processes of the tool (including approaches for stress testing) should be adequately documented for ease of review and verification by the Company, external parties or by the regulator. The Bidder should provide adequate assistance during such reviews. All the documentation of models should include the key assumptions and key sensitivities of the models. The Bidder should be able to carry out stress testing.
D	Process mapping & Reporting structures
D1	Tool should provide Multi- Hierarchy Structure Management: Multiple hierarchies or structures permit data to be viewed and managed across more than one dimension with adequate access and

	edit permissions as specified by NPCI.
D2	Tool should have the capability to maintain inventory of processes and reports at least for seven years.
D3	Tool should support the break-down of processes into logical process steps with linkages to underlying procedures, unit responsibility and they should be able to be linked to RCSA, KRI and Loss event.
E	Verification & validation process
E1	The tool should have the capability to implement NPCI defined verification & validation process and should fulfill all audit and compliance requirements.
E2	The tool should be able to intake the process flow as mentioned by NPCI.
E3	As per the process flow, the tool should have the capability to initiate the verification & validation process and track the progress of various process steps as per the timelines provided by NPCI.
E4	Tool should provide all the information as may be required for independent review of operational risk management framework
F	Risk Reporting
F1	Periodic reports to be generated on loss event types highlighting the findings of RCSA, Audit, Loss, Potential loss and Near Miss data, KRI and Scenarios.
F2	The tool should be capable of generating performance measurement reports measured vis-a-vis RCSA results, KRI status and action taken by units/business lines.
F3	Tool should provide linkages between RCSA, KRI, loss data and audit processes as required by NPCI.
F4	The tool should provide a drill through heat map.
F5	The tool should provide drill down reporting.
F6	The tool should have adequate graphical reporting tools for reporting loss event data.
F7	Tool should support KRI dials for the dashboard reporting.
F8	Tool supports to build various MIS reports Loss matrix, Trend analysis, Issues and action plan status report etc., as per the requirements of NPCI.
F9	Tool should support slice and dice of structure values and filtering of risk areas simultaneously.
F10	The tool should aggregate the RCSA scores of risk events to arrive at a Companywide RCSA profile.
F11	The tool should generate reports pertaining to outstanding issues and/or action plans emanating from RCSA/KRI/Loss Data Analysis at any given date
F12	The Bidder should provide post implementation support, configuration training and end user training.

## *Documents forms to be put in Envelope 'A'*

### **Annexure A1 - Bidder's Letter for EMD/Bid Security**

**To**

The MD & Chief Executive Officer  
National Payments Corporation of India,  
C-9<sup>th</sup> 8<sup>th</sup> Floor, RBI Premises  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051

**Subject: RFP No.NPCI:13-14/0032 dated 30.12.2013 for "Engaging agency for Implementation of Operational Risk Management Tool"**

We have enclosed an EMD in the form of a Demand Draft No.\_\_\_\_\_ issued by the branch of the \_\_\_\_\_ Bank, for the sum of Rs.10,00,000/- (Rupees \_\_\_\_\_ Ten Lakhs only). This EMD is as required by clauses 5.7 of the Instructions to Bidders of the above referred RFP.

Thanking you,

Yours faithfully,

(Signature of the Bidder)

Printed Name:

Designation:

Seal:

Date:

Business Address:

## Annexure A2 - Bid Security (Bank Guarantee)

Date

Beneficiary: NATIONAL PAYMENTS CORPORATION OF INDIA

C-9<sup>th</sup> 8<sup>th</sup> Floor, RBI Premises  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051

Performance Bank Guarantee No:

We have been informed that \_\_\_\_\_ (hereinafter called "the Bidder") has submitted to you its bid dated \_\_\_\_\_ (hereinafter called "the Bid") for the execution of \_\_\_\_\_ under RFP No. NPCI: RFP: 13-14/0032 dated 30.12.2013 for "engaging agency for Implementation of Operational Risk Management Tool"

Furthermore, we understand that, according to the conditions of the RFP, a Performance Bank Guarantee is required.

At the request of the Bidder, We \_\_\_\_\_ (name of the Bank), \_\_\_\_\_ (the issuing Bank to furnish the details of its incorporation), and having its registered office at \_\_\_\_\_ and, for the purposes of this Guarantee and where claims are payable, acting through its --- branch presently situated at \_\_\_\_\_ (hereinafter referred to as "Bank" which term shall mean and include, unless to repugnant to the context or meaning thereof, its successors and permitted assigns), hereby irrevocably undertake to pay you without any demur or objection any sum(s) not exceeding in total an amount of Rs. \_\_\_\_\_ (in figures) (Rupees----- (in words)----- only) upon receipt by us of your first demand declaring the Bidder to be in default under the RFP, without caveat or argument, or your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

Please note that you may, if you so require, independently seek confirmation with \_\_\_\_\_ (Bank Name & Issuing branch address) \_\_\_\_\_, that this Bank Guarantee has been duly and validly issued.

Notwithstanding anything contained in the foregoing:

- (i) The liability of \_\_\_\_\_ (Bank), under this Bank Guarantee is restricted to a maximum total amount of Rs. \_\_\_\_\_ <Amount in figures and words>.
- (ii) This Bank Guarantee is valid upto \_\_\_\_\_
- (iii) The liability of \_\_\_\_\_ (Bank), under this Bank Guarantee is finally discharged if no claim is made on behalf of NPCI within one year of the expiry of the validity period of this Bank Guarantee.
- (iv) Our liability pursuant to this Bank Guarantee is conditional upon the receipt of a valid and duly executed written claim or demand, by \_\_\_\_\_ (Bank) \_\_\_\_\_ (Address), delivered by hand, courier or registered post, or by fax prior to close of banking business hours on \_\_\_\_\_ (Date should be one year from the date of expiry of validity period of the Bank Guarantee) failing which all rights under this Bank Guarantee shall be forfeited and \_\_\_\_\_ (Bank), shall stand absolutely

and unequivocally discharged of all of its obligations hereunder. This Bank Guarantee shall be governed by and construed in accordance with the laws of India and competent courts in the city of Mumbai shall have exclusive jurisdiction.

Kindly return the original of this Bank Guarantee to -----  
(Bank & its address), upon the earlier of (a) its discharge by payment of claims aggregating to Rs -----  
<Amount in figures & words>. (b) Fulfillment of the purpose for which this Bank Guarantee was issued; or (c)  
<Claim Expiry Date>

All claims under this Bank Guarantee will be made payable at -----  
----- (Bank & Its Address).

**{Signature of the Authorized representatives of the Bank}**

## Annexure B - Bid Offer Form (without Price)

(Bidder's Letter Head)

### OFFER LETTER

Date:

To:

The MD & Chief Executive Officer  
National Payments Corporation of India,  
C-9<sup>th</sup> 8<sup>th</sup> Floor, RBI Premises  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051

Dear Sir,

**Subject: Regarding RFP No: NPCI: 13-14/0032 dated 30.12.13 for “engaging agency for Implementation of Operational Risk Management Tool”**

We have examined the above referred RFP document. As per the terms and conditions specified in the RFP document, and in accordance with the schedule of prices indicated in the commercial bid and made part of this offer.

We acknowledge having received the following addenda / corrigenda to the RFP document.

Addendum No. / Corrigendum No.	Dated

While submitting this bid, we certify that:

1. Prices have been quoted in INR.
2. The prices in the bid have not been disclosed and will not be disclosed to any other bidder of this RFP.
3. We have not induced nor attempted to induce any other bidder to submit or not submit a bid for restricting competition.
4. We agree that the rates / quotes, terms and conditions furnished in this RFP are for NPCI and its Associates.

If our offer is accepted, we undertake, to start the assignment under the scope immediately after receipt of your order. We have taken note of Penalty clauses in the RFP and agree to abide by the same. We also note that NPCI reserves the right to cancel the order and order cancellation clause as per terms and condition would be applicable. We understand that for delays not attributable to us or on account of uncontrollable circumstances, penalties will not be levied and that the decision of NPCI will be final and binding on us.

We agree to abide by this offer till 180 days from the last date stipulated by NPCI for submission of bid, and our offer shall remain binding upon us and may be accepted by NPCI any time before the expiry of that period.

Until receipt of Purchase Order, this offer will be binding on us. We also certify that the information/data/particulars furnished in our bid are factually correct. We also accept that in the event of any information / data / particulars are found to be incorrect, NPCI will have the right to disqualify /blacklist us and forfeit bid security.

We undertake to comply with the terms and conditions of the bid document. We understand that NPCI may reject any or all of the offers without assigning any reason whatsoever.

As security for the due performance and observance of the undertaking and obligation of the bid we submit herewith Demand Draft bearing no. \_\_\_\_\_dated \_\_\_\_\_ drawn in favor of “National Payments Corporation of India” or Bank Guarantee valid for \_\_\_\_days for an amount of Rs. 10,00,000/- (INR Ten Lakhs Only ) payable at Mumbai.

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Company:

Address



## Annexure C - Bidder's Information

Details of the Bidder				
1	Name of the Bidder (Prime)			
2	Address of the Bidder			
3	Status of the Company (Public Ltd/ Pvt. Ltd)			
4	Details of Incorporation of the Company.	Date:		
		Ref#		
6	Valid Sales tax registration no.			
7	Valid Service tax registration no.			
8	Permanent Account Number (PAN)			
9	Name Designation of the contact person to whom all references shall be made regarding this tender			
10	Telephone No. (with STD Code)			
11	E-Mail of the contact person:			
12	Fax No. (with STD Code)			
13	Website			
Financial Details (as per audited Balance Sheets) (in Cr)				
14	Year	2010-11	2011-12	2012-13
15	Net worth			
16	Turn Over			
17	PAT			

Signature: \_\_\_\_\_.

Name: \_\_\_\_\_.

Designation: \_\_\_\_\_.

Date: \_\_\_\_\_, Place \_\_\_\_\_.

## Annexure D - Manufacturer's Authorization Form

*[The Bidder shall require the Manufacturer to fill in this Form in accordance with the instructions indicated. This letter of authorization should be on the letterhead of the Manufacturer and should be signed by a person with the proper authority to sign documents that are binding on the Manufacturer. The Bidder shall include it in its bid]*

Date:

To:

Ref: RFP No. NPCI: RFP: 13-14/0032 dated 30.12.2013 for "engaging agency for Implementation of Operational Risk Management Tool"

WHEREAS

We \_\_\_\_\_, are official manufacturers/OEM vendors of \_\_\_\_\_.  
We \_\_\_\_\_ do hereby authorize M/S \_\_\_\_\_ to submit a bid the purpose of which is to provide the following Goods, manufactured by us \_\_\_\_\_, and to subsequently negotiate and sign the Contract.

We hereby extend our full guarantee and warranty, with respect to the Goods offered by the above company.

Signed by the Manufacturer/OEM Vendor:

Name:

Title:

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

## Annexure E Eligibility Criteria Response

Sr No.	Eligibility criteria	Compliance - Yes / No	Documentary evidence to be submitted
1	The Bidder must have a presence in India for at least 3 years and should have global average revenues in excess of INR 50 Cr. For the last three financial years i.e. 2010-11, 2011-12 & 2012-13.		Copies of Annual Reports in case of listed companies and  Copies of audited balance sheets and P&L statements in case of others for last three financial years.
2	The proposed Original Equipment Manufacturer (OEM) must have a presence in India for at least last 3 years and should have Indian revenues in excess of 5 Cr. for the last 3 financial years i.e. 2010-11, 2011-12 & 2012-13.  Each of the OEMs should have an office in India with support of adequate staff.		Copies Annual Report (in case of listed companies) and Latest audited financial statements for others.  Certificate of Incorporation, Certification of commencement of business.  Self-declaration containing the staff strength of the bidder company.
3	The Bidder should have made Net Profit (after all taxes etc.) during the last three financial years i.e. 2010-11, 2011-12 & 2012-13		Copies of Annual Reports in case of listed companies and Copies of audited balance sheets and P&L statements in case of others for last 3 financial years.
4	The Bidder should own the intellectual property rights of the product / solution or he should have rights from the owner If not, the Bidder should have in place proper tie-ups/ commercial agreements/ authorized implementation partnership for deployment/ resale/ customization of software with the OEM whose software products are offered.		Letter from OEM authorizing the bidder to use the solution and sign the contract for the solution.
5	The Bidder and OEMs should not have been blacklisted at the time of submission by the Central/any of the State Governments/ statutory body/ regulatory body/Indian Banks		Self-Declaration

	Association in India.		
6	The Bidder should be company registered under the Companies Act, 1956 since the last three years with an established set-up with support of adequate staff and an office in India.		Certificate of Incorporation. Certification of commencement of business. Self-declaration of offices in India
7	The Bidder should have implemented the Operational Risk Solution for at least two (Global/ Indian) BFSI Clients in the past one year.		Copies of credential letters from Clients containing scope of work, timelines and OEM partners for the project.  Case studies of implementation where ever available.

Signature: \_\_\_\_\_.Name:\_\_\_\_\_ -

Designation:\_\_\_\_\_ Date: \_\_\_\_\_, Place \_\_\_\_\_

## **Annexure F - Declaration for Acceptance of RFP Terms and Conditions**

**To**

The MD & Chief Executive Officer  
National Payments Corporation of India,  
C-9<sup>th</sup> 8<sup>th</sup> Floor, RBI Premises  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051

.

Sir,

**Re: RFP No. NPCI: RFP: 13-14/0032 dated 30.12.13 for “engaging agency for Implementation of Operational Risk Management Tool”**

I have carefully gone through the Terms & Conditions contained in the above referred RFP document. I declare that all the provisions of this RFP are acceptable to my company. I further certify that I am an authorized signatory of my company and am, therefore, competent to make this declaration for making this bid.

Yours faithfully,

(Signature of the Bidder)

Printed Name

Designation

Seal

Date:

Business Address:

## Annexure G - Declaration for Acceptance of Scope of Work

To

The Chief Executive Officer  
National Payments Corporation of India,  
C-9, 8<sup>th</sup> Floor, RBI Premises  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051

Sir,

**Re: RFP No. NPCI: RFP: 13-14/0032 dated 30.12.13 for “engaging agency for Implementation of Operational Risk Management Tool”**

I have carefully gone through the Scope of Work contained in the above referred RFP document. I declare that all the provisions of this RFP are acceptable to my company. I further certify that I am an authorized signatory of my company and am, therefore, competent to make this declaration.

Yours faithfully,

(Signature of the Bidder)

Printed Name

Designation

Seal

Date:

Business Address:

## Annexure H - Format Power of Attorney

(On Stamp paper of relevant value)

Know all men by the present, we \_\_\_\_\_ (name of the company and address of the registered office) do hereby appoint and authorize Mr. \_\_\_\_\_ (full name and residential address) who is presently employed with us holding the position of \_\_\_\_\_ as our attorney, to do in our name and on our behalf, deed and things necessary in connection with or incidental to our proposal for "\_\_\_\_\_" in response to the RFP No. \_\_\_\_\_ by NPCI, including signing and submission of all the documents and providing information/responses to NPCI in all the matter in connection with our bid.

We hereby agree to ratify all deeds and things lawfully done by our said attorney pursuant to this Power of Attorney and that all deeds and things done by our aforesaid attorney shall always be deemed to have been done by us.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

For \_\_\_\_\_.

(Signature)

(Name Designation and Address)

Accepted

Signature)

(Name Designation)

Date:

Business Address:

## Annexure I- Service Support Details

No.	Name of the proposed Resource	Contact details



## Annexure J - Authorization Letter

(On company letter head)

The Chief Executive Officer  
National Payments Corporation of India  
Mumbai

Dear Sir,

Re: Authorization Letter for attending Bid-Opening

Ref: RFP No.NPCI:RFP:13-14/0032 dated 30.12.2013 for “ Implementation of Operational Risk Management Tool”

This has reference to your RFP No.\_\_\_\_ for \_\_\_\_\_.

Mr.\_\_\_\_\_is hereby authorized to attend the Bid Opening of the above RFP: dated  
on behalf of our organization.

The specimen signature is attested below:

-----

Specimen Signature of Representative

\_\_\_\_\_  
Signature of Authorizing Authority

Name of Authorizing Authority

## Annexure T2 - Declaration regarding Clean Track by Bidder

### Declaration for Clean Track Record (On Company's Letterhead)

To

The Chief Executive Officer  
National Payments Corporation of India,  
C-9th 8th Floor, RBI Premises  
Bandra Kurla Complex, Bandra (E)  
Mumbai 400 051

Sir,

Re: RFP No. NPCI: RFP: 13-14/0032 dated 30.12.2013 for “engaging agency for Implementation of Operational Risk Management Tool”

I have carefully gone through the Terms and Conditions contained in the above referred RFP. I hereby declare that my company is not currently debarred/black listed by any Government / Semi Government organizations/ Institutions in India or abroad. I further certify that I am competent officer in my company to make this declaration.

Yours faithfully,

(Signature of the Bidder)

Printed Name

Designation

Seal

Date:

Business Address:

## To be put in Envelope 'B'

### Annexure T - Technical Specifications Compliance

Sr No	Operational Risk Functional Requirements	Compliance Yes/No	Comments
<b>A</b>	<b>Risk &amp; Controls Self-Assessment (RCSA)</b>		
A1	The tool should document and assess operational risks, define controls, manage audits, and implement recommendations and remediation plans. The tool should integrate all ORM related data and processes - including a reusable library of risks and their corresponding controls and assessments, results from individual assessments, key risk indicators, events such as losses and near-misses, and issues and remediation plans in an integrated solution		
A2	The tool should have the features to upload, plan and facilitate, track and report the risk and control self- assessment process on an organization -wide basis.		
A3	Tool should have customized templates for rolling out RCSA across all the business and Support units. The Bidder should assist in customizing the RCSA templates to suit the requirements of the company.		
A4	Once key risks are identified and prioritized, the ORM solution should provide a flexible framework to define a set of controls to mitigate those risks. It should support control assessments based on predefined criteria and checklists. It should also provide an advanced mechanism for scoring, tabulating, and reporting the results		
A5	The tool should have the capability to map the existing Organization Structure to the relevant Business Lines.		
A6	End users should be able to rate the identified risks and controls		
A7	The tool should have the ability to compute residual risk values based on the ratings applied for risks and controls for each process step		
A8	The tool should be able to re-run the past assessments based on the revised scale when there is		

	a change in the rating scales		
A9	The tool should enable logical structuring of the self-assessment scenarios into units, departments and business lines		
A10	The Tool should be able to aggregate the different ratings and identify outliers		
A11	The tool should have the capability to automatically communicate the identified outliers to the respective users for further clarifications through e-mail or other appropriate modes.		
A12	The tool should have the capability to reclassify/categorize the operational risks.		
A13	The tool should have the capability to generate heat maps automatically		
A14	The tool should record action points arising out of RCSA exercise with agreed timelines.		
A15	The tool should be able to follow up for unresolved action points and generate status report for the same.		
A16	The tool should have the capability to customize the logic used for creating Heat Maps (preferably through a master user setting)		
A17	The tool should be able to capture loss scenarios and map to loss events and business line.		
A18	The tool should have a dashboard facility to view the risk profiles by business area, business unit etc.		
A19	The software should have the ability to track process ownership, assessment plans, remediation status, etc. on graphical charts that provide real-time information globally. Information can be drilled down to deeper levels.		
A20	For issues arising from the assessment and auditing processes or from any other external events such as loss-events, scenario analyses, or “near-misses, the solution should provide seamless issue management and remediation management capabilities. It should help trigger automatic alerts and notifications for the appropriate personnel to begin investigation and remedial actions		
A21	The tool should be able to generate test plan based		

	upon timelines in action points		
A22	The ORM solution should have the ability to track risk profiles, control ownership, assessment plans, remediation status, etc. on heat maps and graphical charts that can be accessed globally and display real-time information. The facility to drill-down helps provide an easy way to access the data at finer levels of detail.		
A23	The tool should be able to capture testing results and track corrective action plans till closure.		
A24	The tool should generate heat maps based on testing results .The same should be compared to initial heat maps to highlight the shift in risk levels.		
A25	The tool should be capable of supporting different RCSA methodologies		
A26	The Bidder should conduct a sample run of the entire RCSA exercise as per the process mentioned by the Company		
A27	The Bidder should extend assistance in customizing various reports and MIS.		
<b>B</b>	<b>Loss Data</b>		
B1	The tool should have the capability to capture operational losses as per the threshold decided by the Company. Presently, NPCI has set a threshold at Rs. 10000 that needs to be incorporated in the tool. The tool should be able to generate a matrix of loss events and business lines		
B2	The tool should have dashboard facility to view the loss event in different impact bucket by business area		
B3	The tool should have the facility to customize/map loss data reports as per the NPCI's needs.		
B4	<p>The external loss data points in the external loss database should have the following data points,</p> <ul style="list-style-type: none"> <li>• Loss information</li> <li>• Description</li> <li>• Supplementary analytic data</li> </ul>		

B5	The tool should have the capability to track and report loss incidents.		
<b>C</b>	<b>Key Risk Indicator (KRI)</b>		
C1	The tool should enable users to upload plan and facilitate tracking and reporting on an organization-wide basis of the KRI process.		
C2	The tool should allow assignment of accountability to each KRI.		
C3	The tool should have the ability to take values from different users and consolidate them at various levels such as business function, location and business line.		
C4	The tool should be able to generate a dashboard, generate reports and analyze trends based on logic approved by the NPCI.		
C5	Tool should cull out continuous red (high risk) and amber (medium risk) indicators and automatically intimate the person responsible for that KRI.		
C6	The tool should record, suggest and monitor action points arising out of red and amber indicators with agreed timelines.		
C7	The tool should be able to follow up (as per escalation matrix) for unresolved action points and generate status report for the same.		
C8	The tool should allow reassessment of indicators and thresholds.		
C9	The bidder should extend assistance in customizing various reports and MIS		
C10	The tool should allow the user to run various mathematical and statistical functions. The tool should be able to provide graphical outputs for the same.		
C11	Tool should have capability to integrate all the data elements viz. external loss data, internal loss data, scenario data, business environment and internal control factors and generate capital numbers. The Bidder should be able to provide the logic of usage/ combination of the above data elements.		
C12	The tool should identify the relationship between		

	losses and the provided indicators and can the tool, rank the provided indicators against the loss event categories based on the best fit computation of the identified relationship parameters.		
C13	The tool should rank arrive at scaling methodology for losses at each cell based on the above relationship.		
C14	The tool should support Extreme Value theory for fat tail events (Low frequency high severity -LFHS). The Bidder should be able to develop operational VAR for LFHS events using Extreme value theory.		
C15	The tool should have a functionality to combine frequency and severity distributions via statistical techniques to form a total loss distribution for each loss type/business line combination. The Bidder should independently develop and validate the mixing of frequency and severity distribution using statistical tools.		
C16	The tool should have advanced analytics functions such as: tool capability to extrapolate from the distribution of observed total loss points curve to determine the likely amount of total losses, etc. The Bidder should be able to carry out advanced analytics function.		
C17	Tool should support administration and facilitation of the templates designed for respective assessors for various risk types and business lines. The templates should be customizable.		
C18	Tool should support the risk Var measure to reflect various confidence levels e.g. 95%, 99.9% etc. Bidder should independently develop and validate VAR using statistical tools.		
C19	Tool should support back testing and the Bidder should be able to carry out back testing.		
C20	<p>The software should provide bulk data loading facilities to load the data in database. Following is expected to be bulk loaded:</p> <p>G. Loss events with financial impacts (losses and recoveries)</p> <p>H. Business structures (business lines, risk categories, causes, management organizations, legal organizations etc.)</p>		

	<b>I. KRI (&amp; RCSA ), Scenario data</b>		
C21	All the processes of the tool (including approaches for stress testing) should be adequately documented for ease of review and verification by NPCI, external parties or by the regulator. The Bidder should provide adequate assistance during such reviews. All the documentation of models should include the key assumptions and key sensitivities of the models. The Bidder should be able to carry out stress testing.		
<b>D</b>	<b>Process mapping &amp; Reporting structures</b>		
D1	Tool should provide Multi- Hierarchy Structure Management: Multiple hierarchies or structures permit data to be viewed and managed across more than one dimension with adequate access and edit permissions as specified by NPCI.		
D2	Tool should have the capability to maintain inventory of processes and reports at least for seven years.		
D3	Tool should support the break-down of processes into logical process steps with linkages to underlying procedures, unit responsibility and they should be able to be linked to RCSA, KRI and Loss event.		
<b>E</b>	<b>Verification &amp; validation process</b>		
E1	The tool should have the capability to implement NPCI defined verification & validation process and should fulfill all audit and compliance requirements.		
E2	The tool should be able to intake the process flow as mentioned by NPCI.		
E3	As per the process flow, the tool should have the capability to initiate the verification & validation process and track the progress of various process steps as per the timelines provided by NPCI.		
E4	Tool should provide all the information as may be required for independent review of operational risk management framework		
<b>F</b>	<b>Risk Reporting</b>		



F1	Periodic reports to be generated on loss event types highlighting the findings of RCSA, Audit, Loss, Potential loss and Near Miss data, KRI and Scenarios.		
F2	The tool should be capable of generating performance measurement reports measured vis-a-vis RCSA results, KRI status and action taken by units/business lines.		
F3	Tool should provide linkages between RCSA, KRI, loss data and audit processes as required by NPCI.		
F4	The tool should provide a drill through heat map.		
F5	The tool should provide drill down reporting.		
F6	The tool should have adequate graphical reporting tools for reporting loss event data.		
F7	Tool should support KRI dials for the dashboard reporting.		
F8	Tool supports to build various MIS reports Loss matrix, Trend analysis, Issues and action plan status report etc., as per the requirements of NPCI.		
F9	Tool should support slice and dice of structure values and filtering of risk areas simultaneously.		
F10	The tool should aggregate the RCSA scores of risk events to arrive at a Companywide RCSA profile.		
F11	The tool should generate reports pertaining to outstanding issues and/or action plans emanating from RCSA/KRI/Loss Data Analysis at any given date.		
F12	The Bidder should provide post implementation support, configuration training and end user training.		

## Annexure T1 - Bidder's Experience

### A - Bidder's Organization

[Provide here a brief description of the background and organization of the company. The brief description should include ownership details, date and place of incorporation of the company, objectives of the company etc.]

### B - Bidder's Experience

S.No.	Particulars	Details
1.	Name of the Project	
2.	Approximate cost of contract/Project cost	
3.	Bank	
4.	Duration of Project (months)	

**Note:** Please provide documentary evidence from the client wherever applicable. This Annexure has to fill separately for each of the subcontractors

Signature: \_\_\_\_\_.

Name: \_\_\_\_\_ -

Designation: \_\_\_\_\_

Date: \_\_\_\_\_, Place \_\_\_\_\_

### Annexure T2 - Format for Bill of materials

Sr No	Item description						
A	Software						
1							
2							
3							
4							
B	Hardware						
1							
2							
3							
4							
5							
C	Implementation, System integration						
1							
2							
D	Training						
1							
2							
3							
E	Facilities Management						
1	No. of Resources						

### Annexure T3 - Client Details

Provide details the client details wherever available:

S. No.	Name of Institution	Contact Person Name and Designation	Contact Details with e-mail	Preferable time to contact

Signature: \_\_\_\_\_.

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_, Place \_\_\_\_\_

Date: \_\_\_\_\_, Place \_\_\_\_\_

## I. To be put in Envelope 'C'

### Annexure C1 - Commercial Offer Form

(Bidder's Letter Head)

(To be included in Commercial Bid Envelope only)

To:

Date:

NPCI

Dear Sir,

**Re: RFP No. NPCI: RFP: 13-14/0032 dated 30.12.13 for “engaging agency for Implementation of Operational Risk Management Tool”**

Having examined the Bidding Documents placed along with the above referred RFP, we, the undersigned, offer to provide the required consultancy services in conformity with the said Bidding documents for the sum of Rs. ....(Rupees all inclusive) or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

We agree to abide by the Bid and the rates quoted therein for the orders awarded by NPCI up to the period prescribed in the Bid which shall remain binding upon us. Until a formal contract is signed with the selected bidder, this Bid shall constitute a binding Contract between us.

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India.

We have complied with all the terms and conditions of the RFP. We understand that you are not bound to accept the lowest or any Bid you may receive.

Dated this..... Day of.....2014

(Signature)

(Name)

(In the capacity of)

Duly authorized to sign Bid for and on behalf of

## Annexure C2 - Commercial Bid Format

(Bidder's Letter Head)

(To be included in Commercial Envelope Only)

Sr No	Item description	No of Units (A)	Unit price (B)	Sub Total (A*B)	Total price including Taxes (ST/ VAT/ Service Tax)	Grand total price
A	Software					
1						
2						
3						
4						
	Sub Total (A)					
B	Hardware					
1						
2						
3						
4						
5						
	Sub Total (B)					
C	Implementation, System integration					
D	Training					
	Sub Total (D)					
E	AMC					
	AMC cost 4 <sup>th</sup> Year					
	AMC Cost 5 <sup>th</sup> year					

	Sub Total (E)					
E	Facilities Management					
1	No. of Resources					
	Sub Total (E)					
	Total Cost (A+B+C+D+E)					

(All hardware/software costs/Manpower Costs should be detailed with line item wise prices and submitted as Annexure M. NPCI reverse right to add or delete any one of the items as per requirement).

Dated this ..... Day of .....2014.

(Signature)

Name  
(In capacity of)

Duly authorized to sign bid for and on behalf of

---

### Annexure M - Line Item Wise Commercial Bid Format for software and hardware

[illegible]

Dated this..... Day of.....2014

(Signature)

(Name)

(In the capacity of)

Duly authorized to sign Bid for and on behalf of



**Annexure N - Estimated project completion timeline**

<b>Milestone</b>	<b>Timelines</b>
Period within which performance security or amendment thereto is to be submitted by the successful bidder upon notification of award of contract	21 days
Period within which the successful bidder should sign the contract after receipt of the Form of contract	7 days
Project period	5 years (3 years warranty & 2 years AMC)
Timeline for delivery of hardware from the date of signing of contract	3 - 4 weeks
Period of the entire solution to be ready for commissioning after award of the contract	3 months
Trainings of 15 mandays	On request

## FORMAT: PROFORMA OF BANK GUARANTEE

Date

Beneficiary: NATIONAL PAYMENTS CORPORATION OF INDIA

(Please insert complete address)

Performance Bank Guarantee No:

We have been informed that----- ( hereinafter called "the Supplier") has received the RFP award notification no. "-----" dated ----- issued by National Payments Corporation of India (NPCI), for ----- (hereinafter called "the award notification").

Furthermore, we understand that, according to the conditions of the award notification, a Performance Bank Guarantee is required.

At the request of the Supplier, We ----- (name of the Bank), the issuing Bank to furnish the details of its incorporation, and having its registered office at ----- and, for the purposes of this Guarantee and where claims are payable, acting through its ---- branch presently situated at ----- (hereinafter referred to as "Bank" which term shall mean and include, unless to repugnant to the context or meaning thereof, its successors and permitted assigns), hereby irrevocably undertake to pay you without any demur or objection any sum(s) not exceeding in total an amount of Rs.----- (in figures) (Rupees----- (in words)----- only) upon receipt by us of your first demand. declaring the Supplier to be in default under the award notification, without caveat or argument, or your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

Please note that you may, if you so require, independently seek confirmation with -(Bank Name & Issuing branch address)-----, that this Bank Guarantee has been duly and validly issued.

Notwithstanding anything contained in the foregoing:

(i) The liability of ----- (Bank), under this Bank Guarantee is restricted to a maximum total amount of Rs. ----- <Amount in figures and words>.

(ii) This Bank Guarantee is valid upto \_\_\_\_\_.

The liability of ----- (Bank), under this Bank Guarantee is finally discharged if no claim is made on behalf of NPCI within one year of the expiry of the validity period of this Bank Guarantee.

(iv) Our liability pursuant to this Bank Guarantee is conditional upon the receipt of a valid and duly executed written claim or demand, by ----- (Bank)----- (Address), delivered by hand, courier or registered post, or by fax prior to close of banking business hours on ----- (Date should be one year from the date of expiry of validity period of the Bank Guarantee) failing which all rights under this Bank Guarantee shall be forfeited and ----- (Bank), shall stand absolutely and unequivocally discharged of all of its obligations hereunder.

This Bank Guarantee shall be governed by and construed in accordance with the laws of India and competent courts in the city of Mumbai shall have exclusive jurisdiction.

Kindly return the original of this Bank Guarantee to ----- (Bank & Its Address), upon the earlier of (a) its discharge by payment of claims aggregating

to Rs. ----- <Amount in figures & words>. (b) Fulfillment of the purpose for which this Bank Guarantee was issued; or (c) <Claim Expiry Date>

All claims under this Bank Guarantee will be made payable at -----  
----- (Bank & Its Address).

**{Signature of the Authorized representatives of the Bank}**

## Annexure Z: NON-DISCLOSURE AGREEMENT

### NON-DISCLOSURE AGREEMENT

This Agreement is made and entered on this ----- day of -----, 2014 ("Effective Date") between

**NATIONAL PAYMENTS CORPORATION OF INDIA**, a company incorporated in India under Section 25 of the Companies Act, 1956 and having its registered office at **C-9, 8th Floor, RBI Premises, Bandra-Kurla Complex, Bandra (East) Mumbai-400 051** (Hereinafter referred to as "NPCI", which expression shall mean and include unless repugnant to the context, its successors and permitted assigns);

### AND

\_\_\_\_\_, a company registered in \_\_\_\_\_ and having its registered office at \_\_\_\_\_ (Hereinafter referred to as "-----", which expression shall mean and include unless repugnant to the context, its successors and permitted assigns).

The term "Disclosing Party" refers to the party disclosing the confidential information to the other party of this Agreement and the term "Receiving Party" means the party to this Agreement which is receiving the confidential information from the Disclosing Party.

NPCI and ----- shall hereinafter be jointly referred to as the "Parties" and individually as a "Party".

### NOW THEREFORE

In consideration of the mutual protection of information herein by the parties hereto and such additional promises and understandings as are hereinafter set forth, the parties agree as follows:

#### Article 1: Purpose

The purpose of this Agreement is to maintain in confidence the various Confidential Information, which is provided between NPCI and ----- to perform the considerations (hereinafter called "Purpose") set forth in below:

(State the purpose:-----)

#### Article 2: DEFINITION

For purposes of this Agreement, "**Confidential Information**" means the terms and conditions, and with respect to either party, any and all information in written, representational, electronic, verbal or other form relating directly or indirectly to the Purpose (including, but not limited to, information identified as being proprietary and/or confidential or pertaining to, pricing, marketing plans or strategy, volumes, services rendered, customers and suppliers lists, financial or technical or service matters or data, employee/agent/ consultant/officer/director related personal or sensitive data and any information which might reasonably be presumed to be proprietary or confidential in nature) excluding any such information which (i) is known to the public (through no act or omission of the Receiving Party in violation of this Agreement); (ii) is lawfully acquired by the Receiving Party from an independent source having no obligation to maintain the confidentiality of such information; (iii) was known to the Receiving Party prior to its disclosure

under this Agreement; (iv) was or is independently developed by the Receiving Party without breach of this Agreement; or (v) is required to be disclosed by governmental or judicial order, in which case

Receiving Party shall give the Disclosing Party prompt written notice, where possible, and use reasonable efforts to ensure that such disclosure is accorded confidential treatment and also to enable the Disclosing Party to seek a protective order or other appropriate remedy at Disclosing Party's sole costs. Confidential Information disclosed orally shall only be considered Confidential Information if: (i) identified as confidential, proprietary or the like at the time of disclosure, and (ii) confirmed in writing within Seven (7) days of disclosure.

### **Article 3: NO LICENSES**

This Agreement does not obligate either party to disclose any particular proprietary information; to purchase, sell, license, transfer, or otherwise dispose of any technology, services, or products; or to enter into any other form of business, contract or arrangement. Furthermore, nothing contained hereunder shall be construed as creating, conveying, transferring, granting or conferring by one party on the other party any rights, license or authority in or to the Confidential Information disclosed under this Agreement.

### **Article 4: DISCLOSURE**

1. Receiving Party agrees and undertakes that it shall not, without first obtaining the written consent of the Disclosing Party, disclose or make available to any person, reproduce or transmit in any manner, or use (directly or indirectly) for its own benefit or the benefit of others, any Confidential Information save and except both parties may disclose any Confidential Information to their Affiliates, directors, officers, employees or advisors of their own or of Affiliates on a "need to know" basis to enable them to evaluate such Confidential Information in connection with the negotiation of the possible business relationship; provided that such persons have been informed of, and agree to be bound by obligations which are at least as strict as the recipient's obligations hereunder. For the purpose of this Agreement, Affiliates shall mean, with respect to any party, any other person directly or indirectly Controlling, Controlled by, or under direct or indirect common Control with, such party. "Control", "Controlled" or "Controlling" shall mean, with respect to any person, any circumstance in which such person is controlled by another person by virtue of the latter person controlling the composition of the Board of Directors or owning the largest or controlling percentage of the voting securities of such person or by way of contractual relationship or otherwise.
2. The Receiving Party shall use the same degree of care and protection to protect the Confidential Information received by it from the Disclosing Party as it uses to protect its own Confidential Information of a like nature, and in no event such degree of care and protection shall be of less than a reasonable degree of care.
3. The Disclosing Party shall not be in any way responsible for any decisions or commitments made by Receiving Party in relying on the Disclosing Party's Confidential Information.

### **Article 5: RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION**

The parties agree that upon termination/expiry of this Agreement or at any time during its currency, at the request of the Disclosing Party, the Receiving Party shall promptly deliver to the Disclosing Party the Confidential Information and copies thereof in its possession or under its direct or indirect control, and shall destroy all memoranda, notes and other writings prepared by the Receiving Party or its Affiliates or directors, officers, employees or advisors based on the Confidential Information and promptly certify such destruction.

### **Article 6: INDEPENDENT DEVELOPMENT AND RESIDUALS**

Both parties acknowledge that the Confidential Information coming to the knowledge of the other may relate to and/or have implications regarding the future strategies, plans, business activities, methods, processes and or information of the parties, which afford them certain competitive and strategic advantage. Accordingly, nothing in this Agreement will prohibit the Receiving Party from developing or having developed for it products, concepts, tools or techniques that are similar to or compete with the products, concepts, tools or techniques contemplated by or embodied in the Confidential Information provided that the Receiving Party does not violate any of its obligations under this Agreement in connection with such development.

#### **Article 7: INJUNCTIVE RELIEF**

The parties hereto acknowledge and agree that in the event of a breach or threatened breach by the other of the provisions of this Agreement, the party not in breach will have no adequate remedy in money or damages and accordingly the party not in breach shall be entitled to injunctive relief against such breach or threatened breach by the party in breach.

#### **Article 8: NON-WAIVER**

No failure or delay by either party in exercising or enforcing any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise or enforcement of any right, remedy or power preclude any further exercise or enforcement thereof or the exercise of enforcement of any other right, remedy or power.

#### **Article 9: JURISDICTION**

If any dispute arises between the parties hereto during the subsistence or thereafter, in connection with or arising out of this Agreement, the dispute shall be referred to arbitration under the Indian Arbitration and Conciliation Act, 1996 by a sole arbitrator mutually agreed upon. In the absence of consensus about the single arbitrator, the dispute may be referred to joint arbitrators, one to be nominated by each party and the said arbitrators shall nominate a presiding arbitrator, before commencing the arbitration proceedings. Arbitration shall be held in Mumbai, India. The proceedings of arbitration shall be in the English language. The arbitrator's award shall be final and binding on the parties.

#### **Article 10: GOVERNING LAW**

This Agreement shall be governed exclusively by the laws of India and jurisdiction shall be vested exclusively in the courts at Mumbai in India.

#### **Article 11: NON-ASSIGNMENT**

This Agreement shall not be amended, modified, assigned or transferred by either party without the prior written consent of the other party.

#### **Article 12: TERM**

This Agreement shall remain valid from the Effective Date until the termination or expiry of this Agreement. The obligations of each Party hereunder will continue and be binding irrespective of whether the termination / expiry of the Agreement for a period of five years after the termination / expiry of this Agreement.

#### **Article 13: INTELLECTUAL PROPERTY RIGHTS**

Neither Party will use or permit the use of the other Party's names, logos, trademarks or other identifying data, or otherwise discuss or make reference to such other Party or infringe Patent, Copyrights, in any notices to third Parties, any promotional or marketing material or in any press release or other public announcement or advertisement, however characterized, without such other Party's prior written consent.

**Article 14: GENERAL**

1. Nothing in this Agreement is intended to confer any rights/remedies under or by reason of this Agreement on any third party.
2. This Agreement and the confidentiality obligations of the Parties under this Agreement supersedes all prior discussions and writings with respect to the Confidential Information and constitutes the entire Agreement between the parties with respect to the subject matter hereof. If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part(s) thereof shall be stricken from this Agreement.
3. Any breach of any provision of this Agreement by a party hereto shall not affect the other party's non-disclosure and non-use obligations under this Agreement.

<b>IN WITNESS WHEREOF</b> , the parties hereto have duly executed this Agreement by their duly authorized representatives as of the Effective Date written above. <b>NATIONAL PAYMENTS CORPORATION OF INDIA</b>	<b>Successful Bidder Name</b>
By Name:	By Name:
Designation	Designation