

## Response to Pre-bid Queries

### Indian Highways Management Company Limited

**RFP for Selection of Acquiring Bank across all Public Funded Toll Plazas on National Highways Published on dated 10.09.2018**

**Ref. No. IHMCL/ETC/Acquirer Bank/2018**

**Date : - 04.10.2018**

**The following responses to pre-bid queries are hereby issued against RFP for Selection of Acquiring Bank across all Public Funded Toll Plazas on National Highways, Published on dated 10.09.2018:**

S. No.	RFP Clause	RFP Reference	Clarifications/Suggestions by Bidders	Clarifications
1	PART-III: INSTRUCTIONS TO APPLICANTS	3.3.2 Opening of Physical Documents	i) When will be the announcement of bidding qualifies the financial Bid? ii) What is the process of opening of Financial Bid?	Please refer to RFP for clarification on the matter.
2	PART-III: INSTRUCTIONS TO APPLICANTS	3.3.3 Financial Bid Evaluation Phase - 2 ©	Applicant to quote Financial Bid Evaluation in % Excluding of GST.  Whereas, page No. 14 point no 4.2.2 suggests that the bid should include all statutory taxes/levies/surcharge on tax etc., please clarify.	The financial quote shall include all taxes, levies etc., excluding GST.
3	Examination and Evaluation of Bids	Phase-2: Financial Bid Evaluation (c)	i) Whether the chargeable transactions value should include the genuine business failure/decline also?  ii) What about the charges for Non-financial transactions having zero value (Monthly Pass, Local Monthly Pass, Concessions etc.)?	1. All the transactions shall be processed as per the Interface Control Document ver 2.4 and Procedural Guidelines of NETC programme, and as amended from time to time. The documents/web-link of the document shall be provided in the Corrigendum.
4	PART-IV: DETAILS OF SELECTION PROCESS	4.2.2 Procedure for preparation of applications Qualification vi) a.	Does Certificate of Incorporation of the Bank is required for SBI?  As it is created out of Parliamentary Act.	Please refer to the Corrigendum-1 released
5	Annexure A	Exception list  D.7.2	How Acquirer Bank will send notification to Tag holders, who is a customer of Issuing Bank, when the balance is below threshold limit/low balance?	Please refer to the Corrigendum-1 released

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6	Annexure A	Technical Requirements  F (ii)	Is this to be submitted with Bid documents?	Please refer to the Corrigendum-1 released
7	Annexure B	List of Public Funded Toll Plazas	How many are having proper ETC infrastructure out of 163 Toll Plazas as on date?	Please refer to the Corrigendum-1 released
8	Annexure B	List of Public Funded Toll Plazas	How many Plazas are operating with Handheld device for ETC transaction?	Please refer to the Corrigendum-1 released
9	Annexure B	List of Public Funded Toll Plazas	If any Plaza are not built with ETC Infrastructure, is there any time limit for implementation of the same?	Most of the Toll Plazas are equipped with ETC infrastructure already. Further, it is being planned to implement HETC in all pending lanes as soon as possible.
10	Annexure C	2. SLA FOR ACQUIRER BANKS  Serial No.: 1	Is there any way to monitor that Toll Operator are following the SLA?	No change
11	Annexure C	2. SLA FOR ACQUIRER BANKS  Serial No.: 2	INIT file need to be shared at Toll Plaza on daily/weekly, please clarify?	No change
12	Annexure C	2. SLA FOR ACQUIRER BANKS  Serial No.: 3	If Toll Plaza are uploading remaining Bulk data in a single file, then how it will be manageable within 5 mins?	No change
13	Annexure C & Annexure F	2. SLA FOR ACQUIRER BANKS  Serial No.: 4 & 5  Security: 8.1 (i), (ii), (iii), (iv) & (v)	These clauses pertain to the obligation on the part of Concessionaire/Toll Plaza operator, who is not a signatory to the Agreement, then, how clause will be enforceable?	Please refer to the Corrigendum-1 released
14	Annexure C	2. SLA FOR ACQUIRER BANKS  Serial No.: 6	How much Rate of Interest is being charged by NHAI on late fee?	As per prevailing rate charged by NHAI

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15	Annexure C	2. SLA FOR ACQUIRER BANKS  Serial No.: 8	What will be the rate of interest?	As per prevailing rate charged by NHAI
16	Annexure F	Draft Contract Agreement  4.2. (d)	Who will conduct the Audit? Who will bear the Audit fee charges? To whom Audit report will be submitted?	As per RFP Clause 4.2. (d) an Acquiring Bank shall be " Ensuring to conduct internal audits and audit of its processing agent, if any, to comply with the NETC-Procedural Guidelines at least once a year." Cost of same shall be borne by the Successful Bidder.  However, if required IHMCL may also conduct or engage third party to conduct audit on their behalf, in such case cost shall be borne by IHMCL.
17	PART-IV: DETAILS OF SELECTION PROCESS  Annexure E: FORMATS FOR BID SUBMISSION  Form T-3: Format for Power of Attorney	Procedure for preparation of applications	As per the Gazette notification dated 27.03.1987 published in Government of India Gazette Part III Section 4, no separate Power of Attorney needs to be given in favour of any officer for signing the documents on behalf of the Bank.  In such a case, whether Power of attorney for Signing the document is required or not?	Please refer to the Corrigendum-1 released

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18	4.5.1	"IHMCL will announce the name of the Selected Bidder, which shall be awarded the task for acquisition of transactions for all toll plazas as provided in Annexure B."	How will the bidder (Bank) acquire the toll plazas? Will a mandate letter be provided for approaching each concessionaire/toll plazas? Will a account be opened with the Bank (bidder)?	Banks shall acquire the toll plazas as per the direction from NHAI/IHMCL.  It is not mandatory to open an account with the selected Acquirer Bank.
19	Annexure A: A2	" The selected vendor should undertake the following roles and responsibilities."	Vendor is not defined anywhere in the RFP. Is the vendor and bidder the same or is it the bidder's vendor?	Please refer to the Corrigendum-1 released
20	Annexure A: A2	" To contract with toll plaza operators and to deploy the acquiring host, that includes installation and management of NPCI and/or issuer bank public keys, adequately protected for integrity. "	Is the bidder (Bank) supposed to contract with each and every concessionaire/ toll plaza? The draft agreement shared later also mentions obligations and liabilities of the toll plazas/concessionaire.	Please refer to the Corrigendum-1 released
21	Annexure A: A2	"The vendor needs to assist the disputes raised by Issuers or toll plaza operators. The vendor is responsible for the resolution of disputes as per the applicable TAT."	Vendor/bidder cannot be responsible for resolution as it depends on NPCI/issuer as well. This has to be as per applicable NPCI guidelines.	No change

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22	Point H in Annexure A	"Time period envisaged for the engagement is 12 months."	When does time period of 12 months start? After acquisition of every toll plaza?	Please refer to the Corrigendum-1 released
23	Point H in Annexure A	"Time period envisaged for the engagement is 12 months."	We assume certification will be done with one toll plaza	Please refer to the Corrigendum-1 released
24	Annexure A: G	"Help desk should support all issuing and Acquirer queries."	How will bidder/Acquiring Bank address queries related to issuing until and unless the Bank is also an issuer for the particular transaction?	Please refer to the Corrigendum-1 released
25	Annexure C: 1	"Default Charges for a month will be capped at ten percent (10%) of the total Service Charge for the given month."	What is service charge?	Please refer to the Corrigendum-1 released
26	Annexure C: 2. SLA: 2.	"All chargeback for low balance and blacklist shall be borne by the Acquirer bank/entity."	This cannot be blanket for all chargebacks. This has to be as per applicable guidelines	Please refer to the Corrigendum-1 released
27	Annexure C: 2.SLA: 3.	"The entire process of picking up a toll transaction and sending it to NPCI system shall be done within 5 minutes from the time of.."	As per NPCI guidelines, the toll plaza/ acquirer bank has to send the transaction within 15 minutes. What if the toll plaza/concessionaire's system sends the transaction to acquirer bank after 11 minutes?	No change, It can be reduced as per prevailing guideline.

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28	Annexure C: 2. SLA: 5.	" The concessionaire/toll operator shall mandatorily respond (i.e. accept or reject)..."	What if the concessionaire rejects the chargeback without any supporting or proof on the contrary?	The process shall be in line to NETC Procedural Guidelines and ICD ver 2.4 documents, and as amended from time to time.
29	Annexure C: 2. SLA: 7.	" T+ 6 working days"	This has to be as per NPCI guidelines as amended from time to time.	No change
30	Annexure C: 2. SLA: 8.	"The amount wrongly transferred shall be refunded to the correct recipient immediately, not exceeding two working days from the date of receipt complaint by the acquirer bank/entity."	What if account details are wrongly informed by IHMCL/NHAI?	Please refer to the Corrigendum-1 released
31	Annexure F: Draft Agreement	"....the master NETC agreement..."	Is this the agreement executed between Acquirer Bank and NPCI for NETC?	Please refer to the Corrigendum-1 released

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32	Annexure F: Draft Agreement	"4.l. In the case of emergencies/ non-performing acquiring entities or in the case of a change in acquiring entity at a concessionaire-operated toll plaza, two months' notice will have to be provided to NHAI/ IHMCL. The two-month notice period may be reduced subject to explicit written agreement between the Concessionaire/Toll Plaza Operator, the current acquiring entity and the new acquiring entity."	What does this mean? Is it for non-performing toll plaza?	Please refer to the Corrigendum-1 released
33	Annexure F: Draft Agreement	"4.2 d. NETC – PG"	It is not defined	Please refer to the Corrigendum-1 released
34	Annexure F: Draft Agreement	"5.1 f. "...Master Service Agreement..."	what is this?	Please refer to the Corrigendum-1 released

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35	Annexure F: Draft Agreement – 6.2	“Net payments to the Concessionaire/Toll Plaza Operator shall be made by the Acquirer Bank to the account of the Concessionaire/Toll Plaza Operator by way of electronic transferor by cheques/ pay orders.”	Is contract to be executed between Acquiring Bank and Concessionaire or not? Will the acquiring be done by the bidder based on the agreement between IHMCL and bidder?	Contract agreement shall be signed between IHMCL and selected Bidder.
36	Annexure A: A2	“The host should support both online and offline means of communication with toll plaza operators (preferably online).” and “ B: The communication between toll plaza server and the acquirer host shall be online only.”	These two statements are contradicting each other. Is it “preferably” or “only” “online”?	Please refer to the Corrigendum-1 released
37			Will there be a guarantee given to the Acquiring Bank in terms of retention of the Concessionaire for a stipulated time.	No change
38			Since all the 163 toll plazas are new and are non existent on the NETC Program, We request you to please provide the average transaction data for the 163 Toll Plazas.	Please refer to the Corrigendum-1 released
39			Will the Acquiring Bank get direct SFTP connection for Offline and Online transactions.	Please refer to the Corrigendum-1 released



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40			Is there the physical infrastructure present across all 163 Toll Plazas.	Please refer to the Corrigendum-1 released
41			Would the concessionaire bare the risk in case of malfunction ?.	Please refer to the Corrigendum-1 released
42		Annexure-A Clause - H Time Period - 12 Months	Time period envisaged for the engagement is 12 months. Request you to clarify that this 12 months time period shall be from the date of signing of the contract agreement or from the date of plaza live with acquiring services of L1 Bank?	Please refer to the Corrigendum-1 released
43		Annexure-B List of public funded plazas	Total no. of toll plazas as provided in the indicative list is 163. What is the time period for transition of all the public funded plaza with L1 Bank Acquiring Services?	Please refer to the Corrigendum-1 released
44		Bidding Sheet - % of acquired transaction value for each transaction	What if more than one bank quotes at the same %? What will be the selection criteria in such scenario?	Please refer to the Corrigendum-1 released
45		SLA for Acquiring Bank	All default charges as defined in the RFP may have dependencies on plaza infra and SI? Who shall be responsible if the SLA shall not be followed by the Plaza?	Please refer to the Corrigendum-1 released
46		NA	In case Toll Collection Agency/SI resists to move to L1 Bidder just in line with the current toll plaza allocation guidelines floated by NHAI. Will there be any extension in the time period due to delay in plaza migration due to such case as such delay may impact acquiring services?	No change
47		NA	If public funded plaza gets converted to TOT/BOT, will there be a minimum lock-in period for that plaza to run acquiring services with L1 Bank? Concessionaire may not be willing to operate with L1 Bank after plaza conversion?	Please refer to the Corrigendum-1 released

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48		NA	During the transition phase, especially wherein toll operating agency changes as well, the ownership of the chargeback against the transactions which had happened during the time when previous bank/toll collection agency was there needs to be clarified. Who shall bear the loss against these chargeback as the number of count of chargeback shall be more?	Please refer to the Corrigendum-1 released
49			Is there a specific reason for why only a single Acquiring Bank is being selected across 163 Toll Plazas?	No change
50			Will there be a guarantee given to the Acquiring Bank in terms of retention of the Concessionaire for a stipulated time? What happens in case of TOT..?	No change
51			The current MDR of 1.25% for acquiring is set by NHAI and IHMCL, which is being accepted and implemented by all banks, is there a specific reason why the bidding criteria is as per the lowest value of "% of acquired transaction value" ?	No change
52			Since all the 163 toll plazas are new and are non existent on the NETC Program, could you please provide the average transaction data for all these Toll Plazas?	Please refer to the Corrigendum-1 released
53			Will the Acquiring Bank get direct SFTP connection for Offline and Online transactions? <u>Is such physical infrastructure present across all 163 Toll Plaza?</u> Would the concessionaire bare the risk in case of malfunction?	Please refer to the Corrigendum-1 released
54			In case all 163 Public Funded Toll Plazas on National Highways are allocated to a single bank, how concurrent connections of these toll Plazas will be managed?	Please refer to the Corrigendum-1 released

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55	A.2.2	To contract with toll plaza operators and to deploy the acquiring host, that includes installation and management of NPCI and/or issuer bank public keys, adequately protected for integrity.	Currently,no specific acquirer host gets deployed at the plaza site. Request to elaborate on this clause	No change
56	A.2.2	To contract with toll plaza operators and to deploy the acquiring host, that includes installation and management of NPCI and/or issuer bank public keys, adequately protected for integrity.	The only keys shared are of the acquirer bank. The NPCI/Issuer Bank keys may be required to check the signature of tag which will be done at toll plaza lane controller. Clarification is sought on the role of acquirer bank as system infra requirement for key management and validation at lane would not be under the scope of acquirer bank	No change
57	A.2.6	Should be capable to transmit the completed transaction records to the issuer in order to obtain the settlement with in TAT.	Please confirm if the records need to be shared with NPCI or the Issuer Bank. As per PG guidelines, it is to be shared with NPCI and in turn needs to be shared with Issuer Bank	Please refer to the Corrigendum-1 released

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58	A.2.7	Should be capable to send all the transactions which are executed at the lane controller to NETC system i.e. successful, fail, decline NETC	As per the PG guidelines, Acquirer bank is expected to reject transactions failing certain business logics. Is acquirer bank expected to not validate those transactions and send all transactions to NPCI. Pls confirm as this is a change from PG guidelines. Also, please elaborate on the process by which NPCI will differentiate between successful and failed transactions. This will require change in communication with NPCI	No change
59	B	The communication between toll plaza server and the acquirer host shall be online only	Under Annexure 1, point A it is mentioned that communication should be both online and offline. Currently, the Acquirer bank have SFTP based communication, should this be deactivated.	Please refer to the Corrigendum-1 released
60	D.7.2	Low Balance List/Grey list: If the balance in the customer's account linked to the tag comes below a threshold limit, that Tag ID will be added to this list and the notification is sent to the customer for low balance. This list will be provided by the Service Provider.	We understand that the addition to low balance and notifications to the customers will be done by Issuer bank and is beyond the scope of acquirer bank	Please refer to the Corrigendum-1 released

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61	D.8	Transaction Reconciliation – Acquiring host should perform transaction reconciliation on daily basis with Toll Plaza operator data and send the report. Acquiring host should also perform the reconciliation with NETC system data and identify the discrepancy transactions. Acquiring host should settle all the transactions which are accepted by NETC system.	Acquirer bank can carry out the reconciliation between the transaction received by the acquirer bank and settled by NPCI. In order to carry out recon with toll plaza system, Bank will require access to reports from the TMS of the plaza. Please confirm if such access/reports shall be provided	Please refer to the Corrigendum-1 released
62	D.9	Dispute Handling – Acquiring Bank shall have all the liability and responsibility to handle dispute resolution with Toll plaza operator	As per the PG guidelines, Acquirer bank is responsible to handle all disputes, however, liability on acquirer bank will be only for cases where, as per PG guidelines, default has occurred due to acquirer bank.	Please refer to the Corrigendum-1 released

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63	F.iii	The vendor should submit declaration that the NETC acquiring system proposed is fully compliant with NHAI / MoRTH / IHMCL specifications.	Currently, Banks adhere to the ICD 2.4 and the Procedural guidelines notified and modified by IHMCL and NPCI. Please suggest if there is any other document which needs to be taken into account	Please refer to the Corrigendum-1 released
64	G	A 24x7, 365 days per year, robust online customer / Toll operator support facility for all sorts of issuing / acquiring related queries. Bidder support staff should be well trained to effectively handle queries raised by the customer / employees etc. Bidder should provide MIS reports periodically to IHMCL, for example: Volume of calls / per day, resolution % per day etc. Help desk should support all issuing and Acquirer queries.	Please clarify if the POS Set up at the Toll Plaza for tag Issuance would be under the scope of the Acquiring Bank.	Please refer to the Corrigendum-1 released

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65	Annex. A - H	Time period envisaged for the engagement is 12 months	Please clarify if it is from the time of bid or from the time of on boarding the plazas.	Please refer to the Corrigendum-1 released
66	Annex A - B	Integration with Toll Plaza System	All public funded plazas will be serviced by one SI or there will be multiple SI's	Please refer to the Corrigendum-1 released
67	PART I	Bid Security INR 15,00,000/-	How the security deposit amount will be refunded and when will it be refunded	Please refer to RFP clause 3.3.3 (b) for clarification on the matter.
68	PART IV - 4.5.3	The PBG shall be for an amount of Rs. 1.5 Crores and should be in favor of "Indian Highways Management Company Limited", New Delhi.	In case same is not revoked under any situation would the full/partial amount be refunded and by when.	<p>Please refer to RFP for clarification on the matter. The same is reproduced for clarification</p> <p>4.5.3 IHMCL will issue a Letter of Award (LoA) to the Selected Bidder for the toll plaza, and upon receipt of the LoA, the Selected Bidder shall be required to furnish an unconditional and irrevocable Performance Security in the form of a Performance Bank Guarantee (PBG) within a period of 15 days. The PBG shall be for an amount of Rs. 1.5 Crores and should be in favour of "Indian Highways Management Company Limited", New Delhi. The Performance Security shall be valid throughout the period of contract, which may be extended appropriately such that it remains valid until one year beyond completion of the contract.</p>

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69	Annex A - D.9	Dispute Handling – Acquiring Bank shall have all the liability and responsibility to handle dispute resolution with Toll plaza operator.	Please elaborate this point. What kind of disputes are mentioned here? Kindly incorporate all dispute points	Please refer to the Corrigendum-1 released
70	Annex A - E	Helpdesk	Need clarification on this. This will be established by acquiring bank or IHMCL	Please refer to the Corrigendum-1 released
71	Annex C - 2.5	The concessionaire/toll operator shall mandatorily respond (i.e. accept or reject) the chargeback request within 5 working days of receipt of the same.	It is mentioned that plazas/concessionaires will respond to acquiring bank in 5 working days. Need clarification on this. Because currently it's 3 day.	Please refer to the Corrigendum-1 released
72	Annex E - T.4	Undertaking with copy of letter of certification by NPCI and prior experience as an Acquiring Bank Or Certificate from the Statutory Auditor as proof of Net Worth	There is no format in the mentioned	No change
73	Annex E - T.3	Format for Power of Attorney	Is the POA mandatory? Our business head has the powers to sign the doc so POA need not be signed	Please refer to the Corrigendum-1 released
74	Annex E - T.2	Brief Information about the Applicant(s)	Form T-2 and docs like COI etc. will be certified by our internal auditor and not external auditor. Please confirm.	Please refer to the Corrigendum-1 released



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75	Annex E - T.1	Covering Letter	Covering letter will be signed by our competent authorities(ED) for which no proof will be submitted. Please confirm	Please refer to the Corrigendum-1 released
76	N.A.	N.A.	All public funded plazas will be serviced by one SI or there will be multiple SI's. Need clarification on this.	Please refer to the Corrigendum-1 released
77	N.A.	N.A.	Public funded plazas allotted to different agencies for 3,6 or 12 month periods. If any agency rolled over in 6 month time and any chargeback comes of that agency then who will bear this loss. New agency or the old agency. If old agency then what is the process of recovering that amount. Please clarify.	Please refer to the Corrigendum-1 released
78	Annex A - A2	The host should support both online and offline means of communication with toll plaza operators (preferably online).	Please provide more clarity on offline mode of communication between plaza and acquirer	Please refer to the Corrigendum-1 released
79	Annex A - A2	The vendor should have system having feasibility to support primary and secondary systems to ensure connectivity with multiple endpoints	Connectivity at plaza/TMS is currently out of scope for acquiring bank. How would acquirer ensure connectivity at plaza end point	Please refer to the Corrigendum-1 released
80	Eligibility Criteria		20,000 cr Net worth - As per RBI the min net worth , Payments Bank need to manage is 100 Cr. We full-fill that criteria	No change
81	Eligibility Criteria		We at Payments Bank would like to participate, request to pls add criteria for payments bank to participate ,as we not only bring more marketing promotion of this initiative ,we would be able to do it more promptly with latest technology and reach to wide spread market	No change