

**Corrigendum-3 to RFP ref. no. RFP 01/2023-24 dated 11/07/2023 for Set Up, Manage and Operate Merchant Acquiring Business Through POS on Revenue Sharing Model**

**It is decided to amend the following in respect of the above RFP:**

Sl No .	Section/Annexure /Appendix of GeM Bid	Clause No.	Existing Clause	Amended Clause
1.	Annexure 14- Bill of Material		Existing Annexure 14- Bill of Material	Amended Annexure 14- Bill of Material
2.	Appendix-H		Existing Appendix-H	Amended Appendix-H
3.	Section E- Selection Of Bidder	6	6. Existing Commercial Evaluation and Selection of Bidder	6.Amended Commercial Evaluation and Selection of Bidder
4.	Section E- Selection Of Bidder	11	11.Existing Pricing & Payments	11. Amended Pricing & Payments
5.	Section B	5	5.Existing Requirement Details	5. Amended Requirement Details
6.	Annexure 2- Pre Qualification Criteria		Existing Annexure-2 Pre- Qualification Criteria	Amended Annexure-2 Pre- Qualification Criteria
7.	Section C - Deliverable and Service Level Agreements	5.3	5.Existing Penalties and Liquidated damages	5.Amended Penalties and Liquidated damages

All the other instructions and terms & conditions of the above RFP shall remain unchanged.

Please take note of the above amendments while submitting your response to the subject RFP.

Date: 10/08/2023  
Place: Bengaluru

  
General Manager



**Annexure-14**  
**Bill of Material**

**SUB: RFP for Set Up, Manage and Operate Merchant Acquiring Business Through POS on Revenue Sharing Model**

**Ref:**

<u>Notes</u>
<ol style="list-style-type: none"> <li>1. These details should be on the letterhead of Bidder and each &amp; every page should be signed by an Authorized Signatory with Name and Seal of the Company.</li> <li>2. The consultant will have to work as per the timings of the Bank.</li> <li>3. Please be guided by RFP terms, subsequent amendments and replies to pre-bid queries (if any) while quoting.</li> <li>4. Do not change the structure of the format nor add any extra items.</li> <li>5. No counter condition/assumption in response to commercial bid will be accepted. Bank has a right to reject such bid.</li> </ol>

**Commercials for providing Merchant EDC Acquiring Services:**

Sl. No	Model	%	% in words
1)	<b>Revenue Sharing Model</b>  Percentage of Net Revenue (MDR+ charges for VAS + surcharge if any+ Any other revenue other than monthly rent for POS machines - interchange - All Network charges including Assessment Fees) to be shared to Bank on performing activities as detailed in 'Scope of Work'.		
	Up to and including 50000* POS machines		

\*indicative number of terminals

**Undertaking**

- i. Bill of material is submitted on the letter head and is signed by an Authorized Signatory with Name and Seal of the Company.
- ii. We confirm that we have gone through RFP clauses, subsequent amendments and replies to pre-bid queries (if any) and abide by the same.
- iii. We have not changed the structure of the format nor added any extra items. We note that any such alternation will lead to rejection of Bid.
- iv. We agree that no counter condition/assumption in response to commercial bid will be accepted by the Bank. Bank has a right to reject such bid.



- v. We are agreeable to the payment schedule as per "Payment Terms" of the bid.
- vi. The bidder has to make sure all the arithmetical calculations are accurate. Bank will not be held responsible for any incorrect calculations.
- vii. The monthly rentals for POS devices deployed will be finalized in terms of clause 11.3 of Pricing & Payments under Section F - Ownership & Awarding of Contract with successful bidders.

Date:

Signature with Seal

Name:

Designation:



Appendix-H

TENDER FEE AND BID SECURITY DECLARATION

(TO BE PROVIDED ON LETTER HEAD)

To,  
The Deputy General Manager,  
Canara Bank,  
DIT Wing, Head Office,  
Naveen Complex, 14 M G Road

**SUB: RFP for Set Up, Manage and Operate Merchant Acquiring Business Through POS on Revenue Sharing Model**

**Ref: RFP 01/2023 dated 11/07/2023.**

Dear Sir

We declare that if we withdraw or modify our Bids during the period of validity, or if we are awarded the contract and we fail to sign the contract, or to submit a performance security before the deadline defined in the RFP, we note that we will be suspended for the period of two years from being eligible to submit Bids for contracts with Canara Bank.

Place:

[Signature of Authorised Signatory]

Date:

Name:

Designation:

Seal:



SECTION E - SELECTION OF BIDDER

6. Commercial Evaluation and Selection of Bidder:

- 6.1. The H1 bidder will be determined on the basis of the highest percentage of revenue which is to be shared to the bank.
- 6.2. However, the Bank does not bind itself to accept the highest or any Bid and reserves the right to reject any or all bids at any point of time prior to the order without assigning any reasons whatsoever.
- 6.3. The Bank reserves the right to re-tender without assigning any reasons whatsoever. The Bank shall not incur any liability to the affected bidder(s) on account of such rejection. Bank shall not be obliged to inform the affected bidder(s) of the grounds for the Bank's rejection
- 6.4. The Bank reserves the right to modify any terms, conditions and specifications of the RFP and Bank reserves the right to obtain revised price bids from the bidders with regard to change in RFP clauses. The Bank reserves the right to accept any bid in whole or in part.
- 6.5. The bidder who has quoted the highest percentage of Total Cost of Ownership (TCO) will be declared as H1 Bidder, further the Bidder who has quoted the second lowest will be declared as H2 Bidder and in the same way H3, H4, .... so on.
- 6.6. For Award of contract, Purchase Preference Clause mentioned in the bid shall be applicable in addition to other provisions in the Bidding Document in this regard.
- 6.7. As Bank is intending to select three service providers for delivery of PoS terminals, after selection of H1 Bidder, Bank will give the opportunity to H2 & H3 Bidders to match the price of H1 Bidder and to share the services to be provided to Canara Bank. If H2 & H3 Bidders match the Prices of H1, then Bank will enter into contracts with all 3 bidders separately by placing order and signing the agreement with them. If H2/H3 Bidder does not match the price of H1 then the opportunity for matching the H1 price will be given to H4, H5 and... so on and same procedure will follow. The second and Third Bidders who has accepted the price of H1 will be called selected bidder along with the H1 Bidder.
- 6.8. The Distribution of contract will be in the ratio of 50:30:20 among H1, 2nd selected Bidder and 3rd selected Bidder respectively.
- 6.9. If only one Bidder matches the Prices of H1, then Bank will enter into contract with Two Bidder (with H1 and the only Bidder matching the H1 Price) separately by placing order and signing the agreement with them.
- 6.10. In case only one Vendor matches the Prices then the delivery of PoS contract will be in the ratio of 60:40 among H1, 2nd selected Bidder respectively.



- 6.11. If none of the bidder matches the H1 price, Bank reserves the right to place 100% order on H1 bidder only.
- 6.12. Bank at its discretion may float bids in future to select more vendors.
- 6.13. Bank reserves the right to decide on PoS terminal deployment pattern among the selected bidder/s as per Bank's requirement. Bank's decision in this regard will be final and binding on the selected bidder/s.
- 6.14. The selected bidders shall submit the acceptance of the order within seven days from the date of receipt of the order. No conditional or qualified acceptance shall be permitted. The effective date for start of provisional contract with the Selected Bidders shall be the date of acceptance of the order by the bidders.
- 6.15. The period of contract shall commence from the date of execution of the contract by the bidders.
- 6.16. The Shortlisted bidder/s will be required to supply the solution along with the hardware to various branches / Offices of the Bank at the rates not higher than the agreed rate finalized under this BID.



SECTION E - SELECTION OF BIDDER

**11. Pricing & Payments**

- 11.1 No escalation in price quoted is permitted for any reason whatsoever. Prices quoted must be firm till the completion of the contract period.
- 11.2 From the date of placing the order till the delivery of the systems, if any changes are brought in the duties such as excise/customs etc., by the Government resulting in reduction of the cost of the systems, the benefit arising out of such reduction shall be passed on to the Bank
- 11.3 The revenue share offered to the Bank must be as a percentage of the Net revenue earned (MDR+ charges for VAS + surcharge if any+ Any other revenue other than monthly rent for POS machines - interchange - Network charges) exclusive of applicable GST & other taxes. Presently, the rent for the terminal type and amount levied is as follows:

Type of POS terminal	Rental per month (Rs)*
Bharat QR	50.00
Softpos	150.00
MPOS	200.00
PSTN	400.00
GPRS without printer	450.00
GPRS with printer	500.00
Android without printer	550.00
Android PoS with printer	600.00

\* plus applicable GST charges

- 11.4 The H1 bidder selected after Eligibility and Technical Qualification will be informed to quote the rentals for the above terminal types to be deployed. The rental should be equal to or less than (= or <) the above mentioned rates.



SECTION B - INTRODUCTION

**5. Requirement Details**

Bank intends to avail services to Set up, Manage and Operate Merchant Acquiring Business through POS on Revenue Sharing Model.

The details of model are as follows:

**5.1. Revenue sharing Model**

The successful Bidder shall manage the end-to-end POS acquiring business ranging from Merchant sourcing, Documentation, On-Boarding of Merchants, Capital investment in procurement of POS machines, deployment of POS Machines, Merchant training/Education, maintenance of POS EDC terminals along with operating system & other peripherals, Attending Merchant queries/complaints, providing consumables, transaction processing, field services at Merchant locations for acceptance of all types of cards issued in association with VISA, MasterCard, RUPAY & Amex, Fraud Risk Management, Recon & Merchant Settlement, Settlement with Card Associations including issuer interchange, network charges etc., Staging, de-installation of POS machines (at MEs request/un-remunerative machines after proper notice to the MEs), Managing disputes like charge back etc. and incurring chargeback liability, any penalties from regulator/ Network Associations for non-compliance (including KYC), fraud liability, VISA VFMP, MasterCard QMAP & other network liabilities, on Revenue Sharing Model with no cost to the Bank.

5.2. The net revenue generated from the acquiring business after apportioning VISA/MasterCard/RUPAY/Amex transaction charges & Issuer Interchange shall be shared between the Bank and the successful Bidder on a determined ratio as indicated in the commercial bid document, on a monthly basis.

5.3. The Bank and the successful Bidder will be sharing the net Merchant Acquiring revenue and the Bid has to be submitted, quoting the percentage of the net merchant acquiring revenue (i.e MDR less issuer interchange and network associate Visa/ MasterCard/ RUPAY transaction charges) to be shared by the Bank to the successful Bidder.

5.4. Separate standard MDR for all variants of Credit Cards shall be fixed by Bank in mutual discussion with the selected bidder.

5.5. MDR and other charges to be levied to the merchants will be decided by the Bank in consultation with the successful Bidder.

5.6. If the MDR is lower than the standard MDR or waived by the Bank and also rent is waived or reduced by the Bank, the differential cost shall be borne by the Bank and the proportionate amount due to the vendor as per stipulated standard MDR shall be paid to the successful bidder.





- 5.7. Similarly, if MDR/rent is waived or reduced by the successful Bidder, the same shall be borne by the successful bidder and the proportionate amount due to the Bank as per stipulated standard MDR shall be recovered from the successful bidder.
- 5.8. The rate quoted should be in terms of percentage (%) of Net revenue (MDR+ charges for VAS + surcharge if any+ Any other revenue other than monthly rent for POS machines - interchange - Network charges) exclusive of GST & other applicable taxes.
- 5.9. All the other charges/expenses i.e., network switching charges payable to Card Schemes, cost of consumables, Certification of terminals/systems, maintenance of terminals etc. will have to be borne by the successful Bidder.
- 5.10. The successful Bidder will be assisting the bank in driving volumes at merchants sourced by the vendor as well as merchants sourced by the Bank.
- 5.11. The successful Bidder should take care of all the marketing and other charges like pamphlets/advertising cost/ for driving more volumes for such merchants sourced by the bidder. The successful Bidder should also assist the bank in driving volumes for the merchant's location sourced by the bank. All the promotional activities would be handled by the bidder with no cost to the bank.
- 5.12. Bidder can source Merchants with CASA accounts with Canara Bank. For merchants sourced without CASA accounts of Canara Bank, Merchant shall open CASA accounts with canara bank and payment shall be made on T+1 basis through NEFT / RTGS/ any other approved channels.
- 5.13. VISA, MasterCard, RuPay & Amex certification charges including audit charges shall be borne by the Successful Bidder along with all other tools charges.
- 5.14. Successful Bidder shall provide details of transactions (BTH file), Transaction
- 5.15. Alert reports, POS Terminal-wise performance, and other reports as per the requirement of the Bank.
- 5.16. Cost of patch and software up-gradation, additional features in POS machine on account of Regulatory, statutory, Network, and Security compliance shall be borne by the successful Bidder.
- 5.17. The consumables shall be supplied by the successful bidder at their cost.
- 5.18. There will not be any Capital or Revenue investment from the Bank. All costs involved in the POS Acquiring business including financial loss shall be borne by the Bidder.



- 5.19. Acquiring BIN will be of the Bank. However, all costs associated with the BIN levied by the Card Association shall be borne by the respective successful Bidder and shall be reimbursed to the bank on as and when basis.
- 5.20. The Successful Bidder shall execute a non-disclosure Agreement with the Bank regarding customer data in the format prescribed by the Bank.
- 5.21. The successful Bidder shall execute a 'Pre Contract Integrity pact' along with the Bank in terms of the guidelines of Central Vigilance Commission (CVC) in the format provided by CVC.
- 5.22. The settlement will be routed through the Bank and all support for settlement process shall be provided by the successful Bidder including Merchant payment after collecting MDR, rent & other charges, settlement with Card Associations like payment of issuer interchange, transaction charges, issuer interchange to our Bank for on-us card transactions, GST payments, income sharing etc.
- 5.23. Amount due to the Bank from Network Associations (VISA, MasterCard, RuPay & Amex) during the settlement process shall be claimed & received promptly and any delay in staging/claiming legitimate amount due to the Bank and consequent income loss including the cost of funds on account of that shall be borne by the successful Bidder and shall be compensated to the Bank.
- 5.24. The successful bidder shall have a dedicated team for attending trouble shooting calls and other Merchant queries. The trouble shooting shall be done as per the timelines fixed in the Service Level Support Response Time & Penalties (Clause No: 44). Any delay attracts levy of Liquidated damages/penalty by the Bank, as per Clause No 44 of this document.
- 5.25. Successful Bidder shall adhere to the timelines fixed in the Service Level Support Response Time & Penalties (Clause No: 44) for installation/de-installation of POS machines and in attending & rectifying trouble shooting calls by Merchants. Any delay attracts levy of Liquidated damages/penalty by the Bank, as per Clause No 44 of this document.
- 5.26. **The selected bidder/s is/are required to interact and integrate with all payment aggregators present in the market for tapping the super retail merchant segment without any additional cost to the Bank.**



**Annexure-2**  
**Pre-Qualification Criteria**

[On Firm's / Company's letter head]

**SUB: RFP for Set Up, Manage and Operate Merchant Acquiring Business Through POS on Revenue Sharing Model.**

**Ref:**

We have carefully gone through the contents of the above referred RFP along with replies to prebid queries & amendment, if any and furnish the following information relating to Qualification Criteria.

Sl. No	Qualification Criteria	Documents to be submitted In compliance with Qualification Criteria	Bidder s Response
1.	Signing of Pre-Contract Integrity Pact	The Bidder should submit signed Pre-Contract Integrity Pact on Non-Judicial Stamp Paper of Rs.200/- or more (as per respective state Stamp Act) as per Appendix-F.	
2.	The Bidder should be a partnership firm registered under LLP Act, 2008/Indian Partnership Act, 1932 or Company in India as per Indian Companies Act, 1956 or Indian Companies Act, 2013 and should have been in operation for a period of at least five years as on RFP date	Copy of Certificate of LLP registration. (OR) Copy of Certificate of Incorporation and Certificate of Commencement of business in case of Public Limited Company (OR) Certificate of Incorporation in case of Private Limited Company, issued by the Registrar of Companies.	
3.	The Bidder should have average annual turnover of Rs.50.00 Crores in the last three financial years <u>(i.e., 2019-20, 2020-21 and 2021-22)</u> . This must be the individual company turnover and not of any group of companies.	Bidder has to submit audited Balance Sheet copies for last 3 Years i.e., <u>2019-20, 2020-21 and 2021-22</u> along with certificate from the Company's Chartered Accountant to this effect with Unique Document Identification Number.	



4.	The bidder should have positive Net Worth as on 31/03/2023 and also should have not eroded by more than 30% in the last three financial years ,ending on 31/03/2023.	The Bidder should submit certificate from the Company's Chartered Accountant with UDIN to this effect.	
5.	The Bidder shall have local office in Bengaluru to liaison various activities.	The Bidder has to furnish their details like contact details with postal address, no. of personnel etc., besides Local Contact Person Name, Address, Phone No, Mobile No, Email etc., in Annexure-7.	
6.	The Bidder must be a Firm/Company incorporated in India with considerable expertise in setting up merchant acquiring business, framing merchant acquiring policy, operational procedures for at least one scheduled commercial banks in India.	Certified copy of certificate of incorporation in case of Private Limited Company and Certificate of commencement of business in case of public Limited Company shall be enclosed	
7.	The bidder should have executed at least ONE full cycles of ME business process right from acquisition of merchants to reconciliation and settlement and also managing chargeback process and risks for at least 1 Scheduled Commercial banks in India and has installed minimum of 50,000 POS EDC / m-Pos terminals	Certificate from the Acquiring bank to be enclosed	
8.	The Bidder should have its own switch/ license to use the third party switch for routing POS transactions, Merchant Management system, Underwriting system, Risk Monitoring ( Both Merchant	Certificate from the Acquiring bank to be enclosed	



	underwriting and Transaction monitoring) and settlement & Recon system		
9.	The bidder should be PCI-DSS certified & compliant.	Copy of certificate shall be enclosed	
10.	The terminals installed at the Merchant locations should be PCI- DSS & PA-DSS certified & compliant.	Copy of certificate shall be enclosed.	
11.	The Bidder should own/ have a valid license from Card Network Associations Visa, Master & Rupay and should be in POS Acquiry Business for the past two years which involves activities like Direct Acquisition of Merchants, POS deployment, maintenance, transaction, POS transaction processing, enabling the payments to Acquiring Banks, Merchant Payment net of MDR, monitoring of transactions, dispute Management etc. The infrastructure should be in use by at least One Scheduled Commercial banks in India for switching POS transactions.	Certificate from the Acquiring bank to be enclosed	
12.	The Bidder through own switch / through third party switch (which Bidder is licensed to use) should have EAS, MIP & NPCI connectivity for routing VISA, Master Card & RuPay transactions	The Bidder should submit self-declaration on the Company's letter head.	
13.	The bidder should have both primary DC and DR Centre fully audited and complied with VISA, MasterCard & RUPAY guidelines	Bidder has to submit the latest audit certificate in this regard	
14.	The bidder should not have been debarred/blacklisted by	The Bidder should submit self-declaration on the	



	any Govt. /Govt. Agency / Bank(s) /Financial Institutions / RBI / IBA in India as on the date of submission of bid for this RFP for breach of any applicable law or violation of regulatory prescriptions or breach of agreements.	Company's letter head to this effect.	
15.	<u>The bidder should not be an existing PoS service provider with an existing Service Level Agreement (SLA) in force with our Canara Bank.</u>	The Bidder should submit self-declaration on the Company's letter head to this effect.	

We confirm that the information furnished above is true and correct. We also note that, if there are any inconsistencies in the information furnished above, the bid is liable for rejection. All documentary evidence / certificates confirming compliance to Qualification Criteria should be part of the RFP.

Date:  
Place:

Signature with seal  
Name:  
Designation :



SECTION C - DELIVERABLE AND SERVICE LEVEL AGREEMENTS

5. Penalties and Liquidity Damage:

- 5.1. Penalty for Service level: The penalty for the downtime will be calculated at Rs.10/- per hour subject to a maximum of Rs.100/- per month as Liquidated Damages/Penalty for downtime based on the downtime report submitted by the bidder on monthly basis.
- 5.2. For any delay in Installation of POS/EDC terminals, bidder shall be charged penalty for not adhering to the time schedule/TaT of installation/ installation/ repair/ replacement/ make terminal operational at the rate of Rs.100/- per day per POS/EDC terminal from the date of indent sharing till the date of installation subject to a maximum of Rs. 50,000/- (Rupees Fifty Thousand only) per month.
- 5.3. For any delay in commencement of operations beyond a period of 14 weeks from the date of issuing of the Purchase Order, a penalty of Rs. 10,000/- (Rupees Ten thousand only) per day will be charged from the vendor. In case the vendor fails to commence the operations within 16 weeks from the date of issuing of the Purchase Order, the Bank will have the option to cancel the Purchase Order and the Vendor shall forfeit the Bid Security and he shall be barred from participating in any future bids.
- 5.4. The liquidated damages/penalties shall be deducted / recovered by the Bank from any money due or becoming due to the bidder under this purchase contract or may be recovered by invoking of Bank Guarantees or otherwise from bidder or from any other amount payable to the bidder in respect of other Orders. Levying Liquidated damages is without prejudice to the Bank's right to levy any other penalty where provided for under in the contract.
- 5.5. All the Penalty/LDs are independent of each other and are applicable separately and concurrently.
- 5.6. Penalty/LD is not applicable for the reasons attributable to the Bank and Force Majeure. However, it is the responsibility of the Bidder to prove that the delay is attributed to the Bank or Force Majeure. The Bidder shall submit the proof authenticated by the Bidder and Bank's official that the delay is attributed to the Bank or Force Majeure along with the bills requesting payment.

If the delay is attributable to the Bank, or Force Majeure, or any other circumstances beyond the control of the Bidder then the Bank will extend the period of contract to the extent of delay without charging any Liquidated Damage.

