

**Selection of System Auditor to Audit Core Banking Software  
for  
Chikmagalur Kodagu Grameena Bank**



**Tender No : 01:2010-2011  
15.11.2011**

**Price of Tender Document: ₹ 2,000/- (Rupees Two thousand only)  
Earnest Money Deposit ₹ 50,000/=(Rupees Fifty thousand only)**

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## Section - 1

### Instructions to the bidder

**Chikmagalur Kodagu Grameena Bank (Chiko Bank) invites sealed offers (technical and commercial) for selecting the service provider for conducting audit of their Core Banking Solutions software. The scope of the project is as described in this document.**

**The details of the tender are given below:**

<b>Tender Reference No.</b>	<b>01/2011-12</b>
<b>Tender Document will be available on our website chikobank.com from</b>	<b>15.11.2011</b>
<b>Last date for receipt of offers</b>	<b>13.12.2011      4.00 p.m</b>
<b>Date and time of opening of technical offer</b>	<b>14.12.2011      11.00 a.m.</b>
<b>Address for communication</b>	The General Manager I.T. Division Chikmagalur Kodagu Grameena Bank Head Office, I.G. Road Chikmagalur-577 101
<b>Contact Numbers</b>	<b>08262 231476    9663384176</b>

### ***1.1. Introduction***

This Request for Proposal document (“**RFP**”) has been prepared solely to enable Chikmagalur Kodagu Grameena Bank (“**Chiko Bank**”) in the selection of suitable Organization/Service Provider (“**SP**”) for assisting the Bank in conducting CBS Software Audit of the Bank. The RFP document is not a recommendation, offer or invitation to enter into a contract, agreement or other arrangement in respect of the services.

### ***1.2. For Respondent Only***

The RFP document is intended solely for the information of the party to whom it is issued (“the **Recipient**” or “the **Respondent**”) and no other person or organization.

### ***1.3. Two bid system offer***

Two copies each of the offers (both Technical & commercial) must be submitted at the same time, giving full particulars in Four separate sealed envelopes at the Bank’s address given below, on or before 16.00 hours on 13.12.2011

The General Manager  
Chikmagalur Kodagu Grameena Bank  
I T Division  
Head Office, Indira Gandhi Road  
CHIKMAGALUR - 577 101.

Offers received after the last date and time specified above will be rejected. All envelopes should be securely sealed and stamped.

All the four separate sealed envelopes containing offers must be submitted to the Bank directly as under:

- |    |                       |    |                        |
|----|-----------------------|----|------------------------|
| 1. | Technical (Original)  | 2. | Technical (Duplicate)  |
| 3. | Commercial (Original) | 4. | Commercial (Duplicate) |

### **All the envelopes must be super-scribed with the following information:**

- Type of Offer (Technical or Commercial)
- Tender Reference Number (Chikmagalur Kodagu Grameena Bank Tender Reference No.01/2010-11)
- Due Date
- Name of the Respondent
- Original / duplicate

**Only One Submission Permitted**

Only one submission of response to RFP by each Bidder will be permitted. In case of partnerships / consortium, only one submission is permitted through the lead bidder.

***Technical Offer:***

The Technical offer should be complete in all respects and contain all information asked for except prices. The Technical Offer should not contain any price information.

***Commercial Offer:***

The commercial offer should give all relevant price information and should not contradict the technical offer in any manner.

The Technical and Commercial offers must be submitted **separately**. It may be noted that if any envelope is found to contain both technical and commercial offers, such offer will be **rejected**.

***1.4. Earnest Money Deposit***

The intending bidders should pay along with bids an Earnest Money Deposit of ₹ 50,000/- (Rupees Fifty five thousand only). The EMD shall be paid by Demand Draft / Banker's Cheque/ Pay Order drawn in favor of "Chikmagalur Kodagu Grameena Bank, payable at Chikmagalur. The EMD will not carry any interest.

**The EMD and Tender cost should be kept in original Technical Offer being submitted to the Bank.**

**The EMD made by the bidder will be forfeited if:**

The bidder withdraws his tender before processing of the same.

The bidder withdraws his tender after processing but before acceptance of "Letter of appointment" issued by Bank.

The selected bidder withdraws his tender before furnishing an unconditional and irrevocable Performance Bank Guarantee.

The bidder violates any of the provisions of the terms and conditions of this tender specification.

**The EMD will be refunded to:**

The successful bidder, only after furnishing an unconditional and irrevocable Performance Bank Guarantee for 10% of the contract value (valid till the end of assignment period) with 3 (three) months claim period.

The unsuccessful bidders, only after acceptance of the “Letter of Appointment” by the selected bidder.

### **1.5. Application Money**

The intending bidders should pay along with bids an Application Money of ₹ 2000/- (Rupees Two thousand only). The application money shall be paid by Demand Draft / Banker’s Cheque / Pay Order drawn in favor “Chikmagalur Kodagu Grameena Bank”, payable at Chikmagalur. The application money is non-refundable.

The technical proposal shall be organized and submitted as per the following sequence:

- a) Table of Contents (list of documents enclosed)
- b) EMD (Earnest Money Deposit)
- c) Application money
- d) Technical proposal **with detailed activities broken down, effort estimate, and manpower estimated to be deployed** along with annexure D and annexure E
- e) Compliance certificate for all the terms and conditions as per Annexure-C
- f) All copies of certificates, documentary proofs etc.
- g) Technical Bid (Annexure A )
- h) Commercial Bid (Annexure B)

All the relevant pages of the proposals (except literatures, datasheets and brochures) are to be numbered and signed by authorized signatory on behalf of the Bidder. The number should be a unique running serial number across the entire document. The bidder has to submit a soft copy of the entire proposal in a CD. It should be noted that in case of any discrepancy in information submitted by the bidder in hard-copy and soft-copy, the hard-copy will be given precedence. However, in case of non-submission of any hard copy document, if the same is found submitted in the soft-copy, Bank reserves right to accept the same at its discretion. The Bids shall be addressed and submitted to: The General Manager, Chikmagalur Kodagu Grameena Bank, Head Office, Chikmagalur – 577 101. The bids (arranged as mentioned above) are to be submitted to the General Manager, marked with the tender number, at the above address on or before the due date & time as specified. The bid submitted anywhere else is liable to be rejected. It may be noted that all queries, clarifications, questions etc., relating to this RFP, technical or otherwise, must be in writing only and should be to the nominated point of contact. Bidders should provide their E-mail address in their queries without fail. The bidder will submit an undertaking specifying that the bidder has obtained all necessary statutory and obligatory permission to carry out project works, if any. The proposal should be prepared in English. The e-mail address and phone/fax numbers of the bidder should also be indicated on the sealed cover.

**FORMATS OF BIDS:** The bidders should use the formats prescribed by the Bank in the RFP for submitting both technical and commercial bids.

***i. Registration of RFP***

Registration will be effected upon Bank receiving the RFP response in the above manner. The registration must contain all documents, information, and details required by this RFP. If the submission to this RFP does not include all the information required or is incomplete or submission is through Fax mode, the RFP is liable to be rejected. All submissions, including any Banking documents, will become the property of Bank.

***ii. RFP Validity Period***

RFP will remain valid and open for evaluation according to the terms for a period of at least six (6) months from the time the RFP submission process closes on the deadline for lodgment of RFPs.

***iii. Requests for Information***

Respondents are required to direct all communications related to this RFP, including notification of late RFP submission, through the Nominated Point of Contact person i.e. General Manager, Chikmagalur Kodagu Grameena Bank, Head Office, Chikmagalur.

All queries relating to the RFP, technical or otherwise, must be in writing only to the Nominated Point of Contact. Bank will not answer any communication initiated by Respondents later than five business days prior to the due date for receipt of RFPs. However, Bank may in its absolute discretion seek, but under no obligation to seek, additional information or material from any Respondent after the RFP closes and all such information and material provided must be taken to form part of that Respondent's response. Respondents should invariably provide details of their email address(es) as responses to queries will only be provided to the Respondent via email. If Bank in its absolute discretion deems that the originator of the question will gain an advantage by a response to a question, then Bank reserves the right to communicate such response to all Respondents. Bank may in its absolute discretion engage in discussion or negotiation with any Respondent (or simultaneously with more than one Respondent) after the RFP closes to improve or clarify any response.

***iv. Notification***

Bank will notify the Respondents in writing as soon as practicable about the outcome of the RFP evaluation process, including whether the Respondents RFP response has been accepted or rejected. Bank is not obliged to provide any reasons for any such acceptance or rejection.

***v. Disqualification***

Any form of canvassing/lobbying/influence/query regarding short listing, status etc will be a disqualification.

**vi. *Timeframe***

The following is an indicative timeframe for the overall selection process. Bank reserves the right to vary this timeframe at its absolute and sole discretion should the need arise. Changes to the timeframe will be relayed to the affected Respondents during the process.

<b>Description</b>	<b>Due Date</b>
Issue Tender Notification	10.11.2011
Pre Bid	15.11.2011
Bid Submission Last Date	13.12.2011
Bid Opening Date	14.12.2011
Commercial Bid Opening date	10.1.2012

## **Section - II**

### **Background - Bank's Profile**

## 2.1. Project Background

### 2.1.1. Introduction to the Bank

Chikmagalur-Kodagu Grameena Bank is a Regional Rural Bank operating in Chikmagalur and Kodagu districts with its head office located at Chikmagalur. It has 2 tier organizational structure comprising of Head Office and Branches. Presently it has 54 branches spread across the above two districts. Its core server is housed at Core Centre of Corporation Bank and its DR Server is planned for installation at Corporation Bank, Head Office, Mangalore.

### 2.2. Current Status

As on date, all branches of the Bank are operating under CBS.

### 2.3. Branch Categorization

The Chikmagalur Kodagu Grameena Bank branches are geographically categorized into Semi-urban and Rural branches. They are further categorized on the basis of the business generated as follows:

Category	Business Criteria (As at 31.03.2011)
A	Upto INR 6 crores
B	Above INR 6 crores and upto INR 20 crores
C	Above INR 20 crores and upto INR 50 crores
D	Above INR 50 crores

### 2.4. Branch Distribution

The spread across the above listed categories is as indicated below: *Table 2-4 Branch Distribution*

Category	Rural	Urban/ Semi-Urban	Total
A	17	4	21
B	26	4	30
C		3	3
D			
Total	43	11	54

### 2.5. District Spread

The spread of the branches across various districts is as follows:

District Name	Rural	Urban/Semi-Urban	Total
Chikmagalur	27	8	35
Kodagu	16	3	19
Total	43	11	54

## 2.6. Financial Performance of the Bank

**Current Business Performance** The business performance of the Bank over the last four years is briefed below: *Table 2-7 RRB Business Last 5 years*

(All numbers in Rupees Crores )

Business Parameters	2006-07	2007-08	2008-09	2009-10	2010-11
Aggregate Deposits	150.90	191.65	246.47	300.14	354.34
Aggregate Advances	138.87	161.04	179.51	211.94	231.59
Operating Profit	0.98	3.38	4.02	0.63	0.76

## 2.7 Information about the CBS Software Package:

The CBS software is provided by M/s HCL Inforsystems Ltd under the name Bancmate-CBS. It is a web based bilingual core banking software. It is built on 3 tier web architecture. The software runs on MS-SQL server platform with LINUX OS and JBOSS middleware. It is a user friendly and easy to use web based solution providing easy navigation to the required operation in multiple ways. System design is consistent through out the application. It is built on scalable technology and robust functionality. It is designed to be fully secure, flexible and highly parameterized package.

CBS server is located at Corporation Bank, Core Centre situated at Bangalore. All branches are connected to CBS server through VSAT network over WAN. All branches connect to central CBS server through internet explorer.

### Features:

- ❖ It supports bi-lingual display of menus and screen labels for easy understanding.
- ❖ Menus are displayed in system in hierarchical or tree structure as the user desire and selects during login.
- ❖ Hotkey's are enabled on each menu option by specific characters which are highlighted on the screen during menu navigation, as such making it easy for user to navigate using the hot key.
- ❖ System provides high degree of flexibility and adaptability to customize the menu. Users can define the favourite menus for the list of operation as per his requirement. These menus will always be available on the screen when user logs in, thereby making it easy for him to select the operations directly without navigating through menus.
- ❖ Mandatory fields are marked on every data entry screen to indicate the users to ensure data capture of those fields compulsorily.
- ❖ Help panel is provided for user to select the required master information during data entry.
- ❖ Information filled by user are validated and proper message are generated to help the user to identify the input mistake.
- ❖ Maker and checker feature is implemented for every type of transaction.
- ❖ All error messages are displayed in bilingual during the input transactions.

- ❖ System provides online shortcut keys for loan EMI calculator, FD/Loan chart and other enquiry information such as account holder name, address etc.

The main feature of CBS Bancmate is:

- a) A single account opening option for opening all types of accounts like Savings Bank, Current Account, Fixed Deposit, Kshemanidhi Cash Deposit, Recurring Deposit, various Loan Accounts, DMTY Accounts etc.
- b) A single voucher entry program for posting vouchers for all type of accounts and GLs.

### ***2.7.1 Information on Business Products offered by the Bank***

The business products of the Bank are aimed at bringing credit facilities to the rural population and provide mechanisms to encourage the rural population to maintain excess cash in savings and deposits accounts. Bancmate CBS is a comprehensive solution for Retail and commercial banking covering the following modules. (Given below is an indicative list of products offered by the Bank/modules available in CBS software):

1. Savings Bank accounts
2. Current Accounts
3. Fixed Deposits
4. Kshemanidhi Cash Certificates
5. DMTY accounts
6. Chiko-500 FDs & KCCs
7. Recurring Deposits
8. Tax Saving FDs & KCCs
9. Current accounts with TOD facility
10. Cash Credit accounts
11. Over draft accounts
12. Agricultural Kisan Cash Credit accounts
13. Demand Loan accounts
14. Term Loan accounts
15. Housing Loan for Staff
16. Housing Loan for Public
17. Vehicle loan for Staff
18. Vehicle loan for Public
19. Gold Loans/Jewel Loans
20. Loan against Deposits (SDLs)
21. Education Loans
22. Agricultural Loans
23. NPA marking and maintenance of NPA accounts with Memorandum details
24. Rescheduling of loan accounts
25. Protested/Write Off/Claims/recovery
26. Interest calculating and posting programs with periodicity – monthly and quarterly with options to post simple interest or on compounding basis.
27. Overdues calculation reports

28.	Consumption loans	
29.	Remittances module	
30.	Clearing	Yet to be made live
31.	Any branch banking	
32.	General Ledger maintenance and accounting.	
33.	Bills module	Yet to be made live
34.	LC and BG module	Yet to be made live
35.	Locker module	Yet to be made live
36.	Standing Instructions Module	
37.	Nominal Accounts module	Yet to be made live
38.	User management – Adding a user, Deleting a user, Transferring a user, Giving rights to a user etc.	

Reporting – Bancmate CBS provides integrated rich set of standard reporting defined according to modules and periodicity. Reports can be scheduled for generation upon the required periodicity at the branch day end operation. Administrative user can add or remove reports to be generated automatically at the day end process through parameters. It has facility to generate various operational reports like day book report, cash/clearing/transfer journals, user-wise transaction report, loan sanctioned reports, loans overdue reports, daily transaction reports, cheque book reports, exceptional transactions report etc. MIS reports like Balance sheet, profit & loss account statement, trial balance, weekly balance sheets, LBR & BSR returns, Annual Statements etc.

Security: Bancmate CBS provides security against unauthorized user access to data and application. Validations provided in the system for security at various levels like:

User authentication at data base level. Network security has been implemented using SSL protocol encryption for data transfer. Data integrity checks are implemented in application to perform the checks on data. Database is secured by the password to prevent the unauthorized access or manual change to the database. System provides functionality to maintain user and access rights based on user-defined roles and privileges. Designation wise menu access rights can be defined to prevent the unwanted operation/report data access to users. User ID related validation restricts the user to login in the specific branch with his user ID and Password which are validated by the system. System provides time stamping for all the activities performed by a user at each stage.

## ***2.8. Volume of transactions, users and accounts***

The detailed number of accounts is given below. Growth projection for customer accounts can be considered at **15% per annum**.

Number of Users	177
Volume of Transactions	8900
Number of Accounts	200900

## **Section – III**

### **Scope of the Project**

### ***3.1. Project Objective***

The Bank wishes to appoint competent Service Provider (SP) for assisting the Bank in conducting CBS Software Audit of the Bank. The SP will be responsible as per the scope and timelines outlined below.

### ***3.2. Project Scope***

A description of the envisaged scope is enumerated as under. However, the Bank reserves its right to change the scope of the RFP considering the size and variety of the requirements and the changing business conditions. Based on the contents of the RFP, the selected SP shall be required to independently arrive at the Methodology, based on globally acceptable standards and best practices, suitable for the Bank, after taking into consideration the effort estimate for completion of the same and the resource and the equipment requirements. The Bank expressly stipulates that the SP's selection under this RFP is on the understanding that this RFP contains only the principal provisions for the entire assignment and that delivery of the deliverables and the services in connection therewith are only a part of the assignment.

The SP shall be required to undertake to perform all such tasks, render requisite services and make available such resources as may be required for the successful completion of the entire assignment at no additional cost to the Bank. The bank will provide only the necessary hardware for the auditors to enable them to carry out the software audit. The auditors in their response to the bid need to clearly specify the hardware requirements needed to perform the software audit exercise. The SP is required to conduct CBS software audit giving due importance to the functionalities of the software programs, functionalities with respect to various parameters with necessary validations, input processing and output controls, validations available in the package, response time taken by each processes in the programs, the standard roll back functions in case of any connectivity issues, suitability of the security aspects incorporated in the package, day begin, day end processes, quarter end, half-year end, yearend processes, integrity, accuracy and consistency in various general and MIS reports, queries etc. Any loop holes or malfunctioning of any process is to be identified by the SP by subjecting the programs for thorough testing under test environment.

The SP also is required to evaluate the software with special reference to the available security built in to the package and suggest any shortcomings with respect to the system access, application access and network related security, antivirus packages installed and virus control mechanisms followed, user password maintenance, password algorithms used, user authentication, user security, data security (data storage formats), data accessibility, data manipulation from outside the menu, data management, data access controls from various user levels, audit trails, change request management, patch implementation management, restrictions to vendor access of live data etc. The SP also has to make suggestions/remedies to mitigate the shortcomings noticed in the CBS software. The SP also has to point out the adequacy of various log files maintained in the CBS software – various operations log, user logs, data updation logs in respect of all addition/modification/deletion of various types of operations.

The SP also has to critically evaluate the functioning of DR processes, backup procedures followed, adequacy of backups taken etc. and make suitable suggestions to protect the interests of the Bank.

The SP has to submit the audit plan he proposes to undertake, the audit tools which he will be using to conduct the audit, documentation on the project management etc. The SP has to obtain user acceptance during the audit and once audit is completed should submit reports on the findings during the audit along with suitable suggestions/remedies to overcome each of the shortcomings found during the audit.

The SP has to perform the software audit at Information Technology Department, Chiko Bank, Surya Arcade, Indira Gandhi Road, Chikmagalur.

## **Section IV**

### **Eligibility and Evaluation Criteria**

**4.1. Eligibility Criteria**

The Bidder is required to meet the following eligibility criteria and provide adequate documentary evidence for each of the criteria stipulated below:

- a) The Service Provider should be a registered firm and should have been in existence for a period of at least 6 years.
- b) The Service Provider should have a average turnover of ₹ 30.00 lac in the past 3years.
- c) The Service Provider should be a profit making company in the past 3 years.
- d) The Service Provider should have a pool of resources who possess qualifications such as :  
CISA  
CISSP  
CCNA
- e) The Service Provider should have been involved in CBS Software Audit for at least 1 PSU Bank in India or any Nationalized Bank in India with at least 200 branches. A copy of the letter from the Bank in support of the same should be enclosed with the Bid.
- f) The Service Provider should be a CERT-In (Indian Computer Emergency Response Team) and the CERT-in validity should be at least up to 31.03.2012.
- g) The Service Provider should have trained resources on data analytics tools and should have used automated data analytic tools for software audit for any scheduled commercial bank in India. The service personnel should be on the rolls of the firm. The SP should not entrust the work under the project to any third party or subsidiary.
- h) The Service Provider should have experienced personnel in the field of banking who have been with the firm for over a period of at least 3 years.
- i) The Service Provider should not have been black listed at any point of time.

The engagement partner involved in the CBS software audit engagement should at least possess any of the following certifications (CISA, CISSP, CCNA)

**4.2. SP Selection/Evaluation Process:**

The Technical Proposal will be evaluated first for technical suitability. Commercial Proposal shall be opened only for the short-listed bidders who have qualified in the Technical Proposal evaluation. The evaluation of technical proposals, among other things, will be based on the following:

1. Bidder's financial stability
2. Methodology/Approach proposed for accomplishing the proposed project.
3. Professional qualifications and experience of the key staff proposed/ identified for this assignment.
4. Prior experience of the bidder in undertaking projects of similar nature.
5. Activities / tasks, project planning, resource planning, effort estimate etc.

Bank may, at its sole discretion, decide to seek more information from the respondents in order to normalize the bids. However, respondents will be notified separately, if such normalization exercise as part of the technical evaluation is resorted to.

#### ***4.3. Commercial Bid Evaluation Criteria***

It may be noted the Bids which are technically qualified would be considered for Commercial Bid evaluation. The bidders will have to submit the Commercial bid in the attached format - Annexure B. The Bank will notify the name of the Successful Bidder. Bank reserves the right to negotiate the price with the **finally** short listed bidder before awarding the contract.

The Bank will apply the Technical Evaluation criteria as deemed fit for the purpose of evaluation in consultation with the Tender committee constituted for this purpose. The evaluation criteria as applied by the Bank will be final and binding and no bidder will have the right to challenge or question the criteria applied by the Bank.

## **Section V**

# **Terms and Conditions**

## **5 General Terms and Conditions (Please also refer to Section – I)**

### **5.1 Adherence to Terms and Conditions:**

The bidders who wish to submit responses to this RFP should note that they should abide by all the terms and conditions contained in the RFP. If the responses contain any extraneous conditions put in by the respondents, such responses may be disqualified and may not be considered for the selection process.

### **5.2 Execution of SLA/NDA:**

The SP should execute (a) a Service Level Agreement, which would include all the services and terms and conditions of the services to be extended as detailed herein and as may be prescribed by the Bank and (b) Non-disclosure Agreement. The SP should execute the SLA and NDA within one month from the date of acceptance of Letter of Appointment.

### **5.3 Other terms and conditions:**

#### **5.3.1 Bank reserves the right to :**

- Reject any and all responses received in response to the RFP
- Waive or Change any formalities, irregularities, or inconsistencies in proposal format delivery
- To negotiate any aspect of proposal with any bidder and negotiate with more than one bidder at a time
- Extend the time for submission of all proposals
- Select the most responsive bidder (in case no bidder satisfies the eligibility criteria in totality)
- Select the next most responsive bidder if negotiations with the bidder of choice fail to result in an agreement within a specified time frame.
- Share the information/ clarifications provided in response to RFP by any bidder, with any other bidder(s) /others, in any form.
- Cancel the RFP/Tender at any stage, without assigning any reason whatsoever.

**5.3.2 Substitution of Project Team Members:** During the assignment, the substitution of key staff identified for the assignment will not be allowed unless such substitution becomes unavoidable to overcome the undue delay or that such changes are critical to meet the obligation. In such circumstances, the selected bidder can do so only with the concurrence of the Bank by providing other staff of same level of qualifications and expertise. If the Bank is not satisfied with the substitution, the Bank reserves the right to terminate the contract and recover whatever payments made by the Bank to the Selected bidder during the course of this assignment besides claiming an amount, equal to the contract value as liquidated damages. However, the Bank reserves the right to insist upon the Selected bidder to replace any team member with another (with the qualifications and expertise as required by the Bank) during the course of assignment.

**5.3.3 Professionalism:** The SP should provide professional, objective and impartial advice at all times and hold the Bank's interests paramount and should observe the highest standard of ethics while executing the assignment.

**5.3.4 Adherence to Standards:** The SP should adhere to laws of land and rules, regulations and guidelines prescribed by various regulatory, statutory and Government authorities.

**5.3.5** The Bank reserves the right to ascertain information from the banks and other institutions to which the bidders have rendered their services for execution of similar projects.

**5.3.6 Expenses:** It may be noted that Bank will not pay any amount/expenses / charges / fees / traveling expenses / boarding expenses / lodging expenses / conveyance expenses / out of pocket expenses other than the "Agreed Professional Fee".

**5.3.7** The bidder cannot change the Project Manager during entire period of execution of the scope unless consented in writing by the Bank.

**5.3.8** The bid should contain the resource planning proposed to be deployed for the project which includes, inter-alia, the number of personnel, skill profile of each personnel, duration etc.

**5.3.9** The bidder is expected to quote for the prices of the services inclusive of applicable taxes as on the date of bid submission. Any upward / downward revision in the tax rates from the date of the bid submission will be to the account of the Bank

**5.3.10 Terms of Payment:**

The Service Provider's fees will be paid in the following manner for each item which is described in the Price bid (Annexure B):

Payment will be made after successful completion of the CBS software audit and submission of the deliverables in the form of audit reports to the Bank

**5.3.11 Liquidated Damages (LD):**

The Bank will impose liquidated damages, of ₹ 15000/- (Rupees Fifteen thousand only) per week or part thereof, for delay in not adhering to the time schedules. If the selected Bidder fails to complete the due performance of the contract in accordance to the specifications and conditions agreed during the final contract negotiation, the Bank reserves the right either to cancel the contract or to accept performance already made by the bidder. The Bank reserves the right to recover an amount as deemed reasonable by the Bank as Liquidated Damages for non-performance. Both the above Liquidated Damages are independent of each other and are applicable separately and concurrently. Liquidated damages is not applicable for 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 and Force Majeure. The bidder shall submit the

proof authenticated by the bidder and Bank's official that the delay is attributed to the Bank and Force Majeure along with the bills requesting payment.

#### **5.3.12 Indemnity:**

The bidder shall indemnify, protect and save the Bank against all claims, losses, costs or damages, expenses, action suits and other proceedings resulting from infringement of any patent, trademarks, copyrights etc. or such other statutory infringements by the bidder.

#### **5.3.13 Authorized Signatory:**

The selected bidder shall indicate the authorized signatories who can discuss and correspond with the Bank, with regard to the obligations under the contract. The bidder shall furnish proof of signature identification for above purposes as required by the Bank. The representative so authorized has to submit an authority letter duly signed by the selected bidder, authorizing him to represent on behalf of the bidder.

#### **5.3.14 Publicity:**

Any publicity by the service provider in which the name of the Bank is to be used should be done only with the explicit written permission of the Bank.

#### **5.3.15 Applicable Law and Jurisdiction of court:**

The Contract with the selected bidder shall be governed in accordance with the Laws of India for the time being enforced and will be subject to the exclusive jurisdiction of Courts at Chikmagalur (with the exclusion of all other Courts).

#### **5.3.16 Cancellation of Contract and Compensation:**

The Bank reserves the right to cancel the contract of the selected bidder and recover expenditure incurred by the Bank on the following circumstances:

- The selected bidder commits a breach of any of the terms and conditions of the bid/contract.
- The bidder goes into liquidation voluntarily or otherwise.
- An attachment is levied or continues to be levied for a period of 7 days upon effects of the bid.
- The progress regarding execution of the contract, made by the selected bidder is found to be unsatisfactory.
- If deductions on account of liquidated Damages exceeds more than 10% of the total contract price.

After the award of the contract, if the selected bidder does not perform satisfactorily or delays execution of the contract, the Bank reserves the right to get the balance contract executed by another party of its choice by giving one month's notice for the same. In this event, the selected bidder is bound to make good the additional expenditure, which the Bank may have to incur for the execution of the balance of the contract. This clause is applicable, if for any reason, the

contract is cancelled. The Bank reserves the right to recover any dues payable by the selected bidder from any amount outstanding to the credit of the selected bidder, including the pending bills and/or invoking Bank Guarantee, if any, under this contract or any other contract/order.

#### **5.3.17 Non Payment of Professional Fees:**

If any of the items/activities as mentioned in the price bid and as mentioned in annexure D are not taken up by the Bank during the course of this assignment, the Bank will not pay the professional fees quoted by the Bidder in the Price Bid against such activity/item.

#### **5.3.18 Assignment:**

Neither the contract nor any rights granted under the contract may be sold, leased, assigned, or otherwise transferred, in whole or in part, by the Bidder, and any such attempted sale, lease, assignment or otherwise transfer shall be void and of no effect without the advance written consent of the Bank.

#### **5.3.19 Subcontracting:**

The selected bidder shall not subcontract or permit anyone other than its personnel to perform any of the work, service or other performance required of the selected bidder under the contract without the prior written consent of the Bank.

#### **5.3.20 Force Majeure:**

The parties shall not be liable for default or non-performance of the obligations under the contract, if such default or non-performance of the obligations under this contract is caused by any reason or circumstances or occurrences beyond the control of the parties, i.e., Force Majeure.

For the purpose of this clause, "Force Majeure" shall mean an event beyond the control of the parties, due to or as a result of or caused by acts of God, wars, insurrections, riots, earth quake and fire, events not foreseeable but does not include any fault or negligence or carelessness on the part of the parties, resulting in such a situation.

In the event of any such intervening Force Majeure, each party shall notify the other party in writing of such circumstances and the cause thereof immediately within five calendar days. Unless otherwise directed by the other party, the party pleading Force Majeure shall continue to perform/render/discharge other obligations as far as they can reasonably be attended/fulfilled and shall seek all reasonable alternative means for performance affected by the Event of Force Majeure.

#### **5.3.21 Resolution of Disputes:**

The Bank and the SP 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. If

after thirty days from the commencement of such informal negotiations, the Bank and the SP have been unable to resolve amicably a contract dispute, either party may require that the dispute be referred for resolution by formal arbitration.

All questions, disputes or differences arising under and out of, or in connection with the contract, shall be referred to two Arbitrators: one arbitrator to be nominated by the Bank and the other to be nominated by the SP. In the case of the said arbitrators not agreeing, then the matter will be referred to an umpire to be appointed by the Arbitrators in writing before proceeding with the reference. The award of the Arbitrators, and in the event of their not agreeing, the award of the Umpire appointed by them shall be final and binding on the parties.

The Arbitration and Reconciliation Act 1996 shall apply to the arbitration proceedings and the venue of the arbitration shall be Chikmagalur.

#### ***5.4. Project Timelines:***

**Entire project of CBS software audit to be completed in respect of all the modules within 90 days.**

## **Section VI**

# **Annexures / Formats for the Proposal**

**ANNEXURE 1****SUPPLEMENTAL TERMS AND CONDITIONS****A. Proprietary and Related Rights**

1. **Bank Property:** All data or information supplied by the Bank to Service Provider (“SP”) in connection with the services being provided by SP (“the Services”) shall remain the property of the Bank or its licensors. All deliverables to the extent prepared by SP hereunder for delivery to the Bank (“the Deliverables”) shall be the property of the Bank.
2. **SP Property:** In connection with performing the Services, SP may use certain data, modules, components, designs, utilities, subsets, objects, program listings, tools, models, methodologies, programs, systems, analysis frameworks, leading practices and specifications (“Technical Elements”). Certain Technical Elements owned or developed by SP prior to, or independently from, its engagement hereunder and are the sole and exclusive property of SP and SP retains all rights thereto, as well as to all modifications, enhancements and derivative works of such Technical Elements created, developed or prepared by SP during the performance of the Services. SP also retains right to utilize certain tools and packages developed by third party over which SP has acquired the rights to use. In addition SP retains the right to use its knowledge, experience and know-how, including processes, ideas, concepts, and techniques developed in the course of performing the Services, in providing services to other clients. The Bank shall have no rights in the Technical Elements. All working papers prepared by SP in connection with the Services shall remain the property of SP.

**B. Confidential Information**

1. **Confidentiality:** Except as otherwise expressly provided in the text of the engagement letter, SP receiving Confidential Information, as defined below, in connection with the provision of the Services shall not disclose such Confidential Information outside of its organization or use it for any purpose other than in connection with the Services. “Confidential Information” means all information in which a party has rights that is not generally known to the public and that under all the circumstances should reasonably be treated as confidential or proprietary, whether or not the material is specifically marked as confidential.

**C. Relationship of Parties**

1. **Independent Contractor:** Nothing herein contained will be construed to imply a joint venture, partnership, Principal-agent relationship or co-employment or joint employment between the Bank and SP. SP, in furnishing services to the Bank hereunder, is acting only as an independent contractor. SP does not undertake by this Agreement or otherwise to perform any obligation of the Bank, whether regulatory or contractual, or to assume any responsibility for the Bank’s business or operations. The parties agree that, to

the fullest extent permitted by applicable law; SP has not, and is not, assuming any duty or obligation that the Bank may owe to its customers or any other person.

2. Concerning Employees: Personnel supplied by either party will be deemed employees of such party and will not for any purpose be considered employees or agents of the other party. Except as may otherwise be provided in this Agreement, each party shall be solely responsible for the supervision, daily direction, and control of its employees and payment of their salaries (including withholding of appropriate payroll taxes), workers, compensation, disability benefits, and the like.

#### **E. Testing Services**

1. If the Services include testing, penetration, intrusion or analysis of the Bank's information systems or enterprise whether by using intrusive or passive techniques and software tools ("Testing Services"), the Bank hereby consents to SP performing the Testing Services.
2. If the testing services involve third party service providers, the Bank shall obtain all necessary consents of third party service providers.

#### **F. Other Provisions**

1. **Applicable Law; Severability:** This Agreement shall be governed by the laws of the Union of India.
2. **Assignment:** Neither this Agreement, nor any rights or obligations hereunder, may be assigned, in whole or in part, by either party without the prior written permission of the other party; provided that, upon written notice to the other, either party may assign this Agreement to a corporation or legal entity that acquires substantially all of or a controlling interest in that party ("Change of Control").
3. **Entire Agreement; Applicable Law:** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all agreements and understandings between the Bank and SP with respect to the subject matter hereof made prior to the date of this Agreement. Each of the Bank and SP confirms that it has the right, power and authority to execute and deliver this Agreement and that it will be enforceable in accordance with its terms.
4. **Term:** The term of this Agreement shall commence on the date of the Engagement Letter ("Effective Date of contract") and shall continue up to the completion of the engagement ("Term") until terminated by either party through prior notice.
5. **Transition After Termination:** Upon the termination of this Agreement, SP shall, cooperate with the Bank in the orderly transition of its responsibilities to its successor, whether that be personnel employed by the Bank or an entity retained by the Bank for such purpose. In connection with such transition, SP will (a) continue to provide services contemplated hereunder for a reasonable period of time and, should the Bank desire,

provide such services in coordination with the successor; and (b) make its personnel available at times mutually agreeable to discuss its work and transition issues with the Bank and the successor.

6. **Changes and Delays:** Changes in the type or extent of the services requested by the Bank or that are required for any other reason including any change in applicable law, professional standards or schedule delays or other events beyond a party's reasonable control (collectively, "Unexpected Events"), may require fee and / or date of performance revisions to be agreed upon by both parties. If either party's performance is delayed or suspended as a result of Unexpected Events, and without its fault or negligence, then the period during which the services are to be performed shall be extended to the extent of such delay and neither party shall incur any liability to the other party as a result of such delay or suspension.
7. **Conflict and survival:** In the event of any conflict, ambiguity or inconsistency between this Annexure, the main engagement letter and any other document to which this Annexure 1 may be annexed or which may be annexed to this Annexure 1, including any terms and conditions on the Bank's purchase orders or otherwise, the terms and conditions of this Annexure 1 shall govern. The provisions of this Agreement that give the parties rights beyond termination of this Agreement will survive any termination of this Agreement.
8. **Internet e-mail:** The Bank acknowledges that: (i) SP, the Bank and others participating in this engagement may correspond or convey documentation via Internet e-mail.

***Proposal and other formats:*****ANNEXURE A**

**Technical Proposal format :** Particulars to be provided by the bidder in the technical proposal –  
Tender No. **01/2011**

01. Name of the bidder:
02. Year of establishment and constitution. Certified copy of “Partnership Deed” or “Certificate of Incorporation” should be submitted as the case may be.
03. Location of Registered office/Corporate Office and address. A copy of the registration certificate to be enclosed.
04. Mailing address of the bidder.
05. Names and designations of the persons authorized to make commitments to the Bank
06. Telephone and fax numbers of contact persons
07. E-mail addresses of contact persons
08. Details of : Description of business and business background Service Profile & client profile Domestic & International presence Alliance and joint ventures
09. Details of experience/knowledge possessed in the areas of Project Planning and management review, Resource Planning, Role and Responsibility definition, Co-ordination across multiple teams, Project risk analysis and containment
10. Gross revenue of the bidder (not of the group) from testing services  
Year: 2008-09  
Year: 2009-10  
Year: 2010-11
11. Net Profit of the bidder (not of the group) Year 2008-09 Year 2009-10 and 2010-11  
Documentary proofs are to be enclosed.
12. Date up to which the CERT-in is valid.
13. Details of similar assignments executed by the bidder during the last two years (Name of the Bank, time taken for execution of the assignment and documentary proofs from the Bank are to be furnished).
14. Details of the similar assignments on hand as on date (Name of the Bank, time projected for execution of the assignment and documentary proofs from the Bank are to be furnished).
15. Details of CBS Audit done in a Bank with atleast 200 branches in the last 6 years –  
Necessary documentary proof to be enclosed.
16. Name of the team leader identified for this assignment and his professional qualifications and experience/expertise Details of similar assignments handled by the said team leader  
Documentary proofs for all the assertions are to be enclosed As per annexure E
17. Names of the other team members identified for this assignment and their professional qualifications and experience/expertise Details of similar assignments handled by the said team members  
Documentary proofs for all the assertions are to be enclosed As per annexure E
18. Estimated work plan and time schedules for providing services for this assignment.
19. Effort estimate and elapsed time are to be furnished in annexure D

20. Details of inputs, infrastructure requirements required by the bidder to execute this assignment.
21. Details of the bidder's proposed methodology/approach for providing services to the Bank with specific reference to the scope of work
22. Details of deliverables the bidder proposes with specific reference to the scope of work.

**Declaration :**

1. We confirm that we will abide by all the terms and conditions contained in the RFP.
2. We hereby unconditionally accept that Bank can at its absolute discretion apply whatever criteria it deems appropriate, not just limiting to those criteria set out in the RFP, in short listing of bidders.
3. All the details mentioned by us are true and correct and if Bank observes any misrepresentation of facts on any matter at any stage, Bank has the absolute right to reject the proposal and disqualify us from the selection process.
4. We confirm that this response, for the purpose of short-listing, is valid for a period of six months, from the date of expiry of the last date for submission of response to RFP.
5. We confirm that we have noted the contents of the RFP and have ensured that there is no deviation in filing our response to the RFP and that the Bank will have the right to disqualify us in case of any such deviations.

Place :

Date :

**Seal & Signature of the bidder**

**ANNEXURE B**

**Commercial Bid Format**

<b>Activity</b>	<b>Audit fees ( A)</b>	<b>Taxes (B)</b>	<b>Total (A+B)</b>
<b>Grand Total:</b>			

**ANNEXURE C**

**Compliance Certificate**

To  
**The General Manager**  
**Chikmagalur Kodagu Grameena Bank**  
**Head Office, Chikmagalur.**

Date :

Dear Sir,

Ref: -

1. Having examined the Tender Documents including all annexures, the receipt of which is hereby duly acknowledged, we, the undersigned offer to conduct the CBS software audit for the Bank.
2. If our Bid is accepted, we undertake to complete the project within the scheduled time lines.
3. We confirm that this offer is valid for six months from the last date for submission of Tender Documents to the Bank.
4. This Bid, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.
5. We undertake that in competing for and if the award is made to us, in executing the subject Contract, we will strictly observe the laws against fraud and corruption in force in India namely "Prevention of Corruption Act 1988".
6. We agree that the Bank is not bound to accept the lowest or any Bid that the Bank may receive.
7. We have never been barred/black-listed by any regulatory / statutory authority.
8. No legal case of any default / blacklisting should have ever been filed by any regulator on the firm.

Place :

Date :

Phone No.:

Fax:

**Seal & Signature of the bidder**

E-mail:

**ANNEXURE D****Estimated Effort and Elapsed Time**

<b>Sl No</b>	<b>Activities</b>	<b>Elapsed Time</b>	<b>Effort in Man days</b>	<b>Number of team members who will be deployed</b>	<b>Remarks</b>

Place:

Date:

**Seal and Signature of Bidder**

## ANNEXURE E

### Proposed Team Profile

Sl No	Name of Proposed Engagement Manager /Proposed Team Member	Prof. Qualifications	Certifications/ Accreditations	Banking Solutions expertise (Mention if he has worked in Banks earlier) In terms of years and areas of expertise	IT Expertise In terms of years and areas of expertise	Number of similar assignments involved In Public Sector Banks in India

Place:

Date:

Seal and signature of the bidder

(Documentary proofs are to be enclosed to substantiate the claims made. )