

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 34582 /F., Dated 2/11/2018
FIN-PUIF-SLBC-0007-2018

From

**Shri S.B.Rout,
Joint Director, Institutional Finance &
Joint Secretary to Government**

To

**The Head,
Portal Group, IT Centre,
Odisha Secretariat,
Bhubaneswar**

Sub: **Uploading of the response to the pre-bid queries related to the
EoI issued vide this Department letter No.-32660/F, dt.
10.10.2018**

Sir,

I am directed to request you to upload the enclosed document in Finance Department website in connection with the response to the pre-bid queries for information of all concerned.

Yours faithfully,

S. Rout
2.11.2018

**Joint Director, Institutional Finance &
Joint Secretary to Government**

RESPONSE TO EXPRESSION OF INTREST ON LAST MILE DELIVERY OF BANKING SERVICES THROUGH FAIR PRICE SHOPS IN ODISHA

Sr No	Reference	Original Text	Query	Response
1	Pg. 14, 4.1 - Presentation by Banks & EOI submission	EOI asks for integration to be done for Credit / Debit card payments within the existing POS	It needs to be noted that specifically pre-approved POS can only be used for Credit / Debit card payments. It hence may not be possible to use the Govt. of Odisha procured POS for Credit / Debit card payments.	Integration can be done with the existing Pos machine in FPS.
2	Pg. 14, 4.1 - Presentation by Banks & EOI submission	Proposed BC activity also include Credit proposal processing, Insurance like (Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY))	Deposits & Withdrawals can be mandatory, but it will not be possible for all banks to provide credit proposal and PMSBY or PMJJBP	Please refer to clause section no 6.9 which has the list of transactions mandated as per EOI.
3	Pg. 14, 4.1 - Presentation by Banks & EOI submission	Proposing alternate connectivity options in case of poor connectivity	We suggest that Govt. should ask the FPS to ensure availability of connectivity or alternative mode in absence of primary connectivity, the Banks need a working internet connectivity for data transfer	Banks need to only propose possible approach for alternate connectivity options.

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4	Pg. 14, 4.1 - Presentation by Banks & EOI submission	Cash Management process to be adopted by Bank	All the Business Correspondent models across the nation work on a prefunded model and third party banks accounts where the Cash Management is done by the BC agent themselves. In this case the same would apply. There are advanced solutions available today digitally instead of Cash Management.	Cash management is referring to last mile availability of cash with the BC e.g. Cash for withdrawal transaction.
5	Pg. 14, 4.1 - Presentation by Banks & EOI submission	Ref. Form 8, Annexure 6.8	Proposed Alternative connectivity needs to be provisioned for by the FPS themselves. Banks should not be held responsible for the same, otherwise this project is a no starter.	Same as point no. 3.
6	Pg. 15, Evaluation of EOI, Pt. 3	Banks coverage of Brick & Mortar branches in Odisha: • No of branches >=50: 20 marks	There is no dependency on the no. of branches since this solution has no bearing on the branches. There are already extremely successful models implemented	We have also kept weightage for BC strength as well as B&M branches.

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7	Pg. 16, section 4.3, Uniform incentive/ commission for various BC services	<ul style="list-style-type: none"> • 5<=No of branches<50: 10 marks • No of branches 1-5: 5 marks 	<p>by YES BANK without any linkages whatsoever to the branches. Hence this point should be dropped completely and instead we propose the following point.</p> <p>Bank's existing BC network consisting of Fair Price Shops across the country:</p> <ul style="list-style-type: none"> • No of BCs>=1000: 20 marks • 500<=No of BCs<1000: 10 marks • No of BCs 1-500: 5 marks 	<p>Multiple banks are to be selected through the EoI, and they have to match the uniform incentive structure. So going with the best commission may pose difficulty to bank with respect to matching.</p>
		<p>Average commission from the highest and lowest is proposed</p>	<p>It is suggested that the Govt. select the Banks based on the commission structured offered across multiple products and give maximum work to the bank who offers the highest number of services with the best commission. This is extremely important since this will provide additional income generation to the FPS shops, resulting in augmenting their income.</p>	

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8	Pg. 16, section 4.4, Allotment of Banks to FPS	B&M proximity to unbanked GPs	The model proposed in this EOI is not in implementation across various states in India. Instead the states have adopted to Digital BC model where there is no need for access to Brick & Mortar branches. This digital model is both more feasible and provides more income generation avenues. YES BANK has successfully implemented this model in ChattisgarhCHiPS and is doing it in Maharashtra across 20,000 plus Fair Price Shops.	Same as point no. 6.
9	Pg. 17, section 5.1, Scope of Work	Pt. i. Should Open A/c with the Bank	Pt. i. There is no need for A/c opening in Digital Model, commission gets settled	No change.

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10	Pg. 18, section 5.3 Banks	Pt. iii. A/c opening for customers Pt. iv. Non AEPS based Cash out Pt. vii. Provide printed receipts of all transactions	with any Bank A/c of the BC agent. Pt. iii. Under Jan Dhan Yojana, Bank A/cs have been opened for most residents across the country. This product need not be mandatory, instead "deposit into any Bank A/c" and "withdrawal from any Bank A/c" along with other VAS (Commission based) be made available. Pt. iv. Non AEPS based Cash Out is not possible across multiple banks, Cash Out is only AEPS based. Though Cash In is possible via NON AEPS ONLY. Pt. vii. Printed receipts can only be provided if the POS given by the Dept. to FPS has inbuilt printer. Management of printer roll and maintenance of the device needs to be done directly by the FPS.	Banks have to only provide contact details of link branch to the BCs. EOI is considering no change in the account
		Pt. i. Contact details of link branch to BCsPt. ix. BCs to provide Banking service (Account Opening)	Pt. i. RBI has modified the BC guidelines, now there is no need to have the nearest branch (eg. 50km) linked to BC. This can be any branch, hence we suggest that this clause is removed.Pt. ix. Accounts have	

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			been already opened in Jan Dhan nationally, hence we request Dept. to remove Account Opening as the activity under BC Banking services	opening service.
11	Pg. 19, section 5.4 RBI mandate & guidelines	Pt. vi. The remuneration should combine of fixed and variable parts	Pt. vi. This model is not prevalent anymore, instead the entire payment structure should be transaction specific since it will provide a much bigger earning potential to the BC agent	No change.
12	Pg. 20, section 5.4 RBI mandate & guidelines	Pt. vii. ICT devices being seamlessly integrated with Banks' Core Banking Switch	Pt. vii. ICT devices will be integrated with various switches or servers of the Bank / TSP. They will not be integrated with the CBS.	EoI is referring to integration with banks core banking solution for which bank is free to take up any back end integration.
13	General		We seek the integration documents for IT integration purpose with the visiontekPoS machines with the Bank.	Technical specification of VisiontekPoS device is provided in EoI. Specific integration documents required if any will be provided during CBS integration.
14			Who will incur charges for credit card/debit card transactions. Pleases provide a clarifications in this respect.	Bank should bear the charges as per their existing policy for

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15			The corporate BC need to undergo a training programme from IIBF to be on boarded as BC. What should be the road ahead for this?	It may not be required at this stage.
16			RBI has specified certain designated institutions who can work as BC. Does Civil Supplies Corporation fall under such specific category as prescribed by RBI.	OS CSC shall be engaged as corporate BC.
17	General		What will be the modality on Prefunding of the BC.	Banks may propose their own modalities on pre-funding in the Approach & Methodology form of the proposal. Same will be evaluated by the committee.
18			Regarding MIS - What are the fields in MIS which is required and what will be the frequency of sending such MIS.	MIS requirement if any will be as per the requirement of concerned banks.

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19			Regarding maintenance of cost of the PoS machines: Will Govt provide the Bank any such cost incurred in this respect?	Govt. will not provide any such cost. It has to be borne by the selected Banks as per their existing policy.
20			For chargeback cases in credit / debit card transactions , what will be the process for reimbursement to the Bank	As per the standard banking guidelines.
21	General		What will be the period of engagement of Banks with Civil supplies corporation under this model.	Initially for one year. May be extended subject to satisfactory performance.