

Selection of Banks/ Bank Consortium for Electronic Fund Transfer and Associated Services Enabling Government to Person (G2P) Payments for Health Schemes in the State of Bihar

Pre bid teleconference - Response to Queries

S No.	Query/ Clarification	Response
1	In some clusters if a bank does not have a good branch presence, but can provide services through BCs, can they bid for those clusters?	Yes, the bank can bid for those clusters. As per evaluation criteria, the reach shall be considered for a consortium as a whole (if bidding in consortium). It would be ideal for the banks to bid in consortium with a BC to demonstrate the capacity to provide last mile access to the account holders which is a key aspect of the expectation from the service provider; however it is not a pre requisite.
2	Is 1.5% as commission is fixed or negotiable?	The bidders are requested to bid based on the commission rate of 1.5%, as these are the extant Government of Bihar guidelines. This is however subject to change based on government guidelines.
3	Can you provide calculations on disbursements flowing in each village so that we can prepare a business case? Banks are big entities and they can survive but BCs may not be able to survive for long if they do not get decent fee for their services.	As of now we do not have village level data. However indicative figures of beneficiaries per cluster are provided in the bid documents.
4	Service Providers are supposed to provide only payment solutions for the project or other services as well?	Service providers are expected to open bank accounts for the beneficiaries, provide last mile access to the beneficiaries and provide other banking solutions to the beneficiaries.
5	Are JBSY, immunization (MEA) are the only two programs covered under this RFP?	No, incentives under all the health programs, salaries of contractual staff and payments to private providers through SHS shall be covered.
6	What do you mean when it is said that "undisbursed funds should be transferred back to the Govt."?	Funds which cannot be deposited into the account of the beneficiary (e.g., account is closed) should be transferred back to the Govt.
7	Can a BC bid alone without a Bank?	As per RBI and govt regulations, SHSB can get into a legal agreement with a Bank only, and hence BCs need to have a Bank with them for regulatory requirements.
8	Is Rs. 2 lacs the security amount per cluster or for all bids across all clusters?	It is per bid per cluster.

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9	BCs should be allowed to be lead member.	Yes, the BC may be a lead member, as long as there is a Bank with it in the proposal for regulatory purposes.
10	In the 1.5% commission, is it decided that how much shall flow to the BC?	No. it shall be per the internal arrangement between the bank and the BC
11	Is the commission paid directly to the Banks or BCs?	The commission is paid to the Banks and not to BCs. The Banks may pass on all or part of the commission to the BCs.
12	How can banks credit the accounts of the beneficiaries that are maintained in Post offices?	This is still evolving and banks may help in arriving at a solution.
13	Is there a concept of cluster level pool a/c with the empanelled bank which the SHS shall maintain	SHS is planning to maintain state level central bank accounts for the disbursement of funds. These accounts may not necessarily be with the empanelled bank
14	Are you planning to award one cluster to multiple banks	Yes. Multiple banks may be empanelled for each cluster.
15	Since the electronic transfers might be exposed to frauds, are the security mechanisms put in place?	The CPSMS system takes care of the security aspects.
16	For the payments, the scanning of documents have to be done to increase security aspects, is it envisaged?	The process of enrollment of beneficiary into the HOPE system would be managed by the SHS and there would safeguards to mitigate fraud. In addition all accounts registered for beneficiaries would be verified by the CPSMS through an automated account number and name matching mechanism. The process of authorizing disbursements to beneficiaries would be handled by the HOPE system and would include operational safeguards to mitigate fraud. From the point of credit of funds into the beneficiary account, it would be the responsibility of the bank to ensure that it is withdrawn by the rightful owner. Digital signatures are also being envisaged for the file exchange between HOPE and bank.
17	Are the panchayat and block level offices computerized and networked up to the state headquarters?	HOPE will be accessed from the blocks and not from villages. The block level centers are computerized and are networked to the state headquarters.
18	How are the funds credited to bank from Govt. and from bank to beneficiary?	The CPSMS infrastructure is utilized to credit the bank from Government. It can offer two alternatives: (i) HOPE sends instructions to banks; (ii) HOPE directly does a NEFT transfer and informs banks. The bank may propose a feasible solution.

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19	What is the status of CPSMS implementation?	The CPSMS has established individual banking interface with CBS of 87 banks. For more information please visit: www.cpsms.nic.in
20	<p>Since payments are being made through NEFT, there are lakhs of NEFT files coming through RBI, how will the Bank know that which NEFT instructions are for which block and village. Currently CPSMS is linked only to the agency level and not to the customer/ beneficiary level. How shall the banks identify the transfers to be made to the beneficiaries in the whole lot of NEFT transactions in a day?</p> <p>In the current system for EBT, NEFT is not used but banks have a secure channel with the state Govt. where beneficiary levels details are also provided?</p>	<p>NEFT payments are being made to specific bank accounts belonging to the recipients of the payments. The bank account numbers for the recipient is contained within the NEFT instructions. It is up to the banks to recognize and deposit the NEFT payment into the bank account of the recipient, and to be able to track and know the block and village where the account holder has established their bank account. The instructions to the bank could be sent with the aggregate funds.</p> <p>Additionally, payment files from CPSMS will carry a unique tag with specific details which will enable banks to recognize the account and beneficiary. For technical specifications, please contact your designated nodal officer who represents the bank for meetings with CPSMS/ Ministry of Finance. The details are available on CPSMS-CBS interface document version 2.5</p>
21	What are the timelines in the implementation of the project?	The pilot will be implemented in three districts namely Patna, Sheikhpura and East Champaran starting Feb'2013. The up scaling in the rest of the state will be implemented in a phased manner in 1.5 years.
22	Will this project be able to integrate with NPR/ Aadhar	It has the capability to do so
23	What does the minimum score of 70 imply? Will there be preference for entities who score the highest	All the bidders who are scoring above the minimum score will be considered as successful bidders
24	Will SHS would be able to extend support for enrollment like basic man power, space, or other facilities?	The bidders are required to handle the enrollment on their own. The SHS would provide the required information of the beneficiaries to facilitate the enrollment process. If the bidders require any specific assistance from the SHS beyond this, they should specify that in their bid.
25	Does the solution need to be mobile based solution or smartcard based solution?	There are no restrictions on types of solution as long as the quality of service and requirement of SHS and beneficiaries are met

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26	As soon as the a/c gets created, will the funds start flowing immediately or will there be some time lag?	Incentive payments are triggered based on certain events. Accounts created shall be used for deposit of incentive payments immediately following the event triggering the incentive payment.
27	"HOPE system integration is the responsibility of the service provider" - what kind of integration are required?	Since, the banks have already integrated with CPSMS system, additional integration may not be required.
28	In NEFT transfer, is there any schedule at the block or district level to be followed for payment transfer?	Salaries of contractual health workers, incentives to health workers and service fees to private providers are paid monthly and are likely to continue with the new system. Incentives to (different) JBSY beneficiaries (who form the bulk of beneficiary payments) are paid on a daily basis as per the event.
29	Are you expecting a customer to go across to another BC and access his account	The idea of multiple service providers is to give some options to the beneficiaries, competition amongst the service providers. Customers should be able to use the services from all the BCs affiliated with the bank. If there are any restrictions the bidders are requested to describe this in their bids
30	If beneficiaries open new account, what about the old account and whether payment will be made through new account?	If the beneficiaries register the new account in CPSMS system and have requested to receive their payments through the new accounts, then payment will be made through new accounts
31	Are you paying anything to the banks for opening the a/cs and enrolment	SHS shall provide support in providing physical space but SHS as of now does not intend to compensate for any operations. However IFC has a communication strategy to ensure that maximum people turn up for enrolment
32	Can you provide the number of beneficiaries as per the phase	The indicative numbers are provided in the RFP
33	What shall be the average amount of transactions?	The amounts shall vary according to scheme and type of payment recipient. At present, if we look at the JBSY beneficiaries, who will form the maximum volume of payment recipients, they receive INR 1400 in rural areas and INR 1000 in urban areas.
34	If there is more than one bank at a particular cluster, will specific regions be allotted to individual banks?	No allotment within a cluster shall be made. Service providers shall be free to compete and get business.
35	Can we bid for few districts in cluster or at the cluster level?	Minimum level of bid is the cluster.
36	Can the timeline for submission of bids be extended	The deadline for submission of bids has been extended till 3.00 pm IST on 19 th November 2012