

TENDER DOCUMENT

FOR
System Audit of CBS implementation in
District Cooperative Banks
in the state of
Uttar Pradesh



उत्तर प्रदेश कोआपरेटिव बैंक लि०

मुख्यालय : 2, महात्मा गांधी मार्ग, लखनऊ-226 001

Tender Document No: COOP BANK/CBS/2012-2013/01

THE INFORMATION PROVIDED BY THE BIDDERS IN RESPONSE TO THIS TENDER DOCUMENT WILL BECOME THE PROPERTY OF UTTAR PRADESH COOPERATIVE BANK LTD. () AND WILL NOT BE RETURNED. RESERVES THE RIGHT TO AMEND, RESCIND OR REISSUE THIS TENDER DOCUMENT AND ALL AMENDMENTS WILL BE ADVISED TO THE BIDDERS AND SUCH AMENDMENTS WILL BE BINDING ON THEM.

(THIS DOCUMENT SHOULD NOT BE REUSED OR COPIED OR USED EITHER PARTIALLY OR FULLY IN ANY FORM)

Critical Information Summary

- 1) The RFP is posted on website www.upcbl.in. UPCB reserves the right to change the audit requirements. However, any such changes will be posted on web site.
- 2) Bidders are advised to study the tender document carefully. Submission of bids shall be deemed to have been done after careful study and examination of the tender document with full understanding of its implications.
- 3) Any clarifications from bidder or any change in requirement will be posted on UPCB website. Hence before submitting bids, bidder must ensure that such clarifications / changes have been considered by them. UPCB will not have any responsibility in case some omission is done by any bidder.
- 4) In case of any clarification required by UPCB to assist in the examination, evaluation and comparison of bids, UPCB may, at its discretion, ask the bidder for clarification. The response / Clarification shall be in writing and no change in the price of substance of the bid shall be sought, offered or permitted.
- 5) Please note that all the information required as per the bidding document needs to be provided. Incomplete information in these areas may lead to non-selection.
- 6) **Modification And/Or Withdrawal of Bids:**
Bids once submitted will be treated as final and no further correspondence will be entertained. No bid shall be modified after the deadline for submission of bids. No bidder shall be allowed to withdraw the bid, if bidder happens to be the successful bidder.
- 7) UPCB has the right to reject any or all tenders received without assigning any reason whatsoever.

NOTE:

UPCB SHALL NOT BE RESPONSIBLE FOR NON-RECEIPT / NON-DELIVERY OF THE BID DOCUMENTS DUE TO ANY REASON, WHATSOEVER.

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1 Schedule of events:

Sr. No	Bid Reference No. : COOP BANK/CBS/2012-2013/01		
1.	Purpose	System Audit of CBS implementation in District Cooperative Banks in the state of Uttar Pradesh	
2.	Cost of Tender	Rs.5000/-(Five Thousand Only)	
3.	Earnest Money Deposit (EMD)	Rs.200000/-(Two Lakh Only) To be submitted as Demand Draft in favour of "Uttar Pradesh Cooperative Bank Limited", payable at Lucknow.	
4.	No. of Envelopes (Non window, sealed) to be submitted	Two (2) Envelopes <u>Envelope 1 containing:</u> 1. Technical Bids as per Section 5. (Submit 1 hard copy and 1 soft copy in CD) 2. DD towards cost of tender & EMD. <u>Envelope 2 containing:</u> Financial bid as per Section 6 (Only one bid to be kept).	
5.	Last Date and time of submission	4 th March, 2013 (Monday); 3:00 PM	
6.	Venue, Date and Time of opening of Bids, except Financial bids.	At 3:30 PM, on last date of bid submission, U P Cooperative Bank Limited (Head Office) 9 th Floor, Meeting Hall Mahatma Gandhi Marg, Lucknow – 226001	
7.	Pre-bid meeting	February 18 th 2013 at 03:00 PM, U P Cooperative Bank Limited (Head Office) 9 th Floor, Meeting Hall Mahatma Gandhi Marg, Lucknow – 226001	
8.	Response to clarification / pre bid meeting to be put on web site	February 21 st 2013	
9.	Bid Validity	6 months from the last date of submission.	
10.	Address for submission of Bids	The Managing Director U P Cooperative Bank Limited Mahatma Gandhi Marg, Lucknow – 226001	
11.	Contact Persons :		
	Name & Designation	Phone	E-mail
	Mr. Pankaj Pandey Manager - IT	09415530582	pankajpandeyupcbtender@yaho o.com

2 Introduction and Disclaimers

2.1 Purpose of RFP

The purpose of RFP is to short list Auditor for conducting Information Systems (IS) Audit for IT Control Review based on 1) Minimum Eligibility Criteria 2) Technical bid and 3) Financial bid.

2.2 Information Provided

The Request for Proposal document contains statements derived from information that is believed to be relevant at the date but does not purport to provide all of the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with UPCB. Neither UPCB nor any of its employees, agents, contractors, or advisers gives any representation or warranty, express or implied, as to the accuracy or completeness of any information or statement given or made in this document.

Neither UPCB nor any of its employees, agents, contractors, or advisers has carried out or will carry out an independent audit or verification exercise in relation to the contents of any part of the document.

2.3 Disclaimer

Subject to any law to the contrary, and to the maximum extent permitted by law, UPCB and its officers, employees, contractors, agents, and advisers disclaim all liability from any loss or damage (whether foreseeable or not) suffered by any person acting on or refraining from acting because of any information including forecasts, statements, estimates, or projections contained in this RFP document or conduct ancillary to it whether or not the loss or damage arises in connection with any negligence, omission, default, lack of care or misrepresentation on the part of UPCB or any of its officers, employees, contractors, agents, or advisers.

2.4 Costs to be borne by Respondents

All costs and expenses incurred by Respondents in any way associated with the development, preparation and submission of responses including but not limited to; the attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by UPCB, will be borne entirely and exclusively by the Respondent.

2.5 No Legal Relationship

No binding legal relationship will exist between any of the Respondents and UPCB until execution of a contractual agreement.

2.6 Recipient Obligation to Inform Itself

The Recipient must conduct its own investigation and analysis regarding any information contained in the RFP document and the meaning and impact of that information.

2.7 Evaluation of Offers

Each Recipient acknowledges and accepts that UPCB may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for short listing / selecting the eligible Audit firm(s). The RFP document will not form part of any contract or arrangement, which may result from the issue of this document or any investigation or review, carried out by a Recipient.

2.8 Errors and Omissions

Each Recipient should notify UPCB of any error, omission, or discrepancy found in this RFP document.

2.9 Acceptance of Terms

A recipient will, by responding to UPCB for RFP, be deemed to have accepted the terms of this Introduction and Disclaimer.

2.10 Lodgment of RFP

2.10.1 RFP submission:

RFP document submission is required to be done as under:-

1 hard copy along with 1 soft copy (of Technical Bids) at the following address in a single sealed envelope.

The Managing Director,
U P Cooperative Bank Limited
Mahatma Gandhi Marg,
Lucknow – 226001

Copies of the RFP must be submitted before the aforementioned closing date and time mentioned in Critical Information Summary.

Faxed copies of any submission are not acceptable and will be rejected by the Bank.

All copies of RFP and attachments must be provided in a sealed envelope.

If the submission does not include all the information required or is incomplete, the proposal is liable to be rejected.

All submissions, including any accompanying documents, will become the property of UPCB.

Recipients shall be deemed to license, and grant all rights to UPCB to reproduce the whole or any portion of their submission for the purpose of evaluation, to disclose the contents of the submission to other Recipients and to disclose and/or use the contents of the submission as the basis for processing of RFP, notwithstanding any copyright or other intellectual property right that may subsist in the submission or accompanying documents.

2.10.2 RFP Validity Period

The proposal must remain valid and open for evaluation according to their terms for a period of at least 6 months from the time the RFP closes on the deadline for lodgment of RFP.

2.11 Request for Proposal

Recipients are required to direct all communications related to this RFP, through the Nominated Point of Contact person:

Contact	:	Mr. Pankaj Pandey
Position	:	Manager (IT)
Email	:	pankajpandeyupcbtender@yahoo.com
Telephone	:	09415530582
Fax	:	_____

UPCB will not answer any communication initiated by Respondents later than five business days prior to the due date for lodgment of RFP. However, UPCB may, in its absolute discretion, seek additional information or material from any Respondents after the RFP closes and all such information and material provided must be taken to form part of that Respondent's response.

Respondents should provide details of their Fax, email and full address(s) to ensure that replies to RFP could be conveyed promptly.

If UPCB, in its absolute discretion, deems that the originator of the question will gain an advantage by a response to a question, then UPCB reserves the right to communicate such response to all Respondents.

UPCB 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.

2.12 Notification

UPCB will notify all short-listed Respondents in writing as soon as practicable about the outcome of their RFP. UPCB is not obliged to provide any reasons for any such acceptance or rejection.

2.13 Disqualification

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

3 Background

3.1 Introduction

Cooperative Banks come under three tier of Short Term Cooperative Credit Structure (STCCS). Following table shows the brief description of STCCS of state of Uttar Pradesh.

3.1.1 Three tier Cooperative Credit Structure

Apex bank	UPCB	28	–Branches
		39	–Pay Offices
		17	–Regional Offices
Central bank	DCCBs	50	–DCBs
		1349	–Branches
PACS	PACS	7479	

3.2 About U.P. Co-operative Bank Ltd.

Uttar Pradesh Co-operative Bank Limited established in 1944 is the apex bank of Cooperative Credit Societies in the State. Beside the State Government 50 district Cooperative Bank and 10 Apex Cooperative bodies is its member. It is a Scheduled Bank. The Bank has 79 offices including 28 branches, 34 pay offices and 17 regional offices (RO). In addition the Bank also regulates The Cadre Authority of the secretaries/senior managers of district cooperative banks and secretaries of primary agricultural credit cooperative societies. The main objective of the bank is to exercise fiscal discipline over district/central cooperative banks, given them professional advise as also to play the role of a balancing center. This apex bank, besides its own financial resources, obtains loans on concessional interest rates from NABARD and through district cooperative banks extends refinance facilities for short term and medium term

loans for agricultural production and other allied works. The bank besides agricultural production, extends financial assistance to agriculture-based large and medium processing industries like sugar factories, spinning mills, rice mills, oil mills, vegetable oil mills, solvent extraction plants, cottage industries, cold storage, handloom, agriculture, rural development banks, cooperative housing society, marketing federation, sugar cane society, State Sugar Mills Corporation and NAFED.

3.3 DCCBs

There are 50 DCCBs in the state of UP. The main objective is to provide agriculture (STCCS) in form of cash and fertilizer inputs through their affiliated PACS. There are 1349 no of branches in the state with 7479 PACS affiliated to them. DCCBs mobilize their resources through deposits and by obtaining refinance from NABARD through APEX bank. They also exercise financial discipline over the affiliated societies and ensuring smooth flow of credit. The DCCBs also provide loans to diversified sectors e.g. Salary earner societies, sugar mills, consumer durables, personal loan, taxi loan etc... . The main aim of DCCBs is to keep their cost of fund at the minimum and earning from the interest at the highest to increase their financial margin. In lack of computerization the DCCBs are not only loosing their prime customers but as well as they are unable to implement the ALM system to take advantage of deregulated interest rate regime. In other words the management of funds is also being adversely affected.

3.4 Primary Agriculture Credit Societies (PACS)

There are 7479 PACS in the state of UP. The PACS are lower tire of 3 tire STCCS delivery system. The main function of PACS is to provide crop loan to its member in form of cash & kind (Agriculture inputs). Their main source of fund is borrowing from DCCBs by which they are affiliated. They also take deposits from the members. The also act as purchase centre for various crops (Wheat, Paddy, etc...).

3.5 Present IT setup:

Cooperative banks come under 3 tier Short Term Cooperative Credit Structure. There are 50 DCCBs in the state of UP with its around 1349 branches and One Apex Cooperative bank at state level (UPCB) with its 28 branches. 15 DCBs has been covered under CBS system. Each bank has its own Data centre thus 15 independent data centre are there in the state.

4 Requirements

4.1 Objective

The 'UPCB' wishes to appoint competent Firm of System Auditor for assisting the Bank in conducting CBS System Audit of the DCBs. The System Auditor will be responsible as per the scope and timelines outlined below.

Bank's Objective for conducting Systems Audit of Information systems and IT infrastructure is to assess whether:

- BANK'S information and data are secure, and will remain complete, current, and accurate
- BANK'S information assets are secured against unauthorized access / usage / damage / changes
- BANK'S business continuity planning is adequate enough to ensure customer service, despite interruption to technology facilities for a significant amount of time
- Precisely identify BANK'S technology infrastructure as well as users at any given time
- BANK'S networks are adequately protected
- That BANK'S computer operations are carried out in a controlled environment
- Adequacy of performance tuning to BANK'S ICT (Information and Communication Technology) infrastructure
- Capacity management of BANK'S I C T infrastructure is optimized (right sized) to deliver services effectively and efficiently
- BANK can get independent assurance over effectiveness of controls exercised by outsourced vendors for technology services
- BANK has appropriate controls in its entire systems development life cycle, project management and implementation activities

4.2 Scope

A description of the envisaged scope is enumerated as under. However, the 'UPCB' reserves its right to change the scope of the 'Tender Document' considering the size and variety of the requirements and the changing business conditions. Based on the contents of the 'Tender Document', the selected 'System Auditor' 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 'UPCB' expressly stipulates that the 'System Auditor's' selection under this 'Tender Document' is on the understanding that this 'Tender Document' 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 'System Auditor' 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 CBS System audit. The auditors in their response to the bid need to clearly specify the hardware requirements needed to perform the CBS systems audit exercise. The System Auditor is required to conduct CBS system 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, year-end 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 System Auditor by subjecting the programs for thorough testing under test environment.

The System Auditor 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 System Auditor also has to make suggestions/remedies to mitigate the shortcomings noticed in the CBS software. The System Auditor 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 System Auditor 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 Banks.

The System Auditor 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 System Auditor 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.

4.2.1 Broad Scope of work for system audit

1. Branch Hardware & Software
2. Head Office Hardware and Software
3. CBS Software

4. Data Centre (Hardware & Infrastructure)

4.2.2 DCBs for 'systems audit' where CBS has been implemented

Sr. No.	Name of the Bank	No of Branches
1	Lakhimpur Kheri	62
2	Orai (Jalaun)	18
3	Firozabad	14
4	Mathura	19
5	Meerut	51
6	Bulandshahar	26
7	Saharanpur	30
8	Muzaffar Ngr.	44
9	Ghaziabad	32
10	Bareilly	27
11	Pilibhit	15
12	Shahjahanpur	22
13	Moradabad	41
14	Rampur	29
15	Bijnor	41
Total:		471

4.3 Expected Deliverables

Major Areas which will require to be audited are:

- a) Safeguarding of Assets
- b) Data Integrity
- c) System Effectiveness
- d) System Efficiency

- a) Safeguarding of Assets :

The Systems Auditors will require concentrating on the following areas to ensure that the Information Systems Assets of the organization are safeguarded:

- a) Environmental Security,
- b) Data
- c) Uninterrupted Power Supply
- d) Electrical Lines
- e) Data Cables & Networking Products
- f) Fire Protection
- g) Insurance of Assets
- h) Annual Maintenance Contract

- i) Logical Security & Access Control - Operating System Level
- j) Logical Security & Access Control – Application System Level

The System Auditor shall be required to verify/inspect the following points in respect of the areas mentioned above.

b) Data Integrity:

The Systems Auditor will require addressing, among others, the following areas under Systems Auditing:

- a) Data Input Controls
- b) Data Processing Controls
- c) Patch Programs
- d) Purging of Data Files
- e) Backup of data
- f) Restoration of Data
- g) Business Continuity Planning
- h) Output Reports
- i) Version Control
- j) Virus Protection

c) System Effectiveness:

The System Auditors should verify whether:

- a) Computerized operations provide better customer service in terms of time and quality.
- b) Staff serves a larger number of customers during the day than prior to the introduction of online operations.
- c) Customer information is provided timely and accurately.
- d) The system reflects any improvement in the overall quality of products and services offered.
- e) System has improved the tasks accomplishment capacity of its users by enabling be more productive.
- f) Users are satisfied with the performance of the system.
- g) System is user friendly and takes less effort.
- h) The users are putting the software to frequent use, which requires less effort and is easier to use and the users are satisfied with the performance of the software.

d) System Efficiency:

The System Auditors should verify whether:

- a) Department/Office ensures the use of every computer asset.
- b) Department/Office utilizes every computer asset to its optimum capacity.

- c) Periodical maintenance of the hardware asset ensures its uninterrupted service.
- d) The online operations help complete day's workload on the same day consuming less time than the time taken for the respective manual operations.
- e) The online operations provide accurate, complete and consistent data at each stage of processing.
- f) Department/Office takes consistency check of balances daily to aid in the detection of errors or fraud.
- g) Department/Office uses the hardware peripherals such as printers, nodes etc. efficiently.
- e) Other terms & conditions prescribed by the bank as required.

4.3.1 Deliverables Under Systems Audit

System Auditor will deliver detailed reports as below:

1. Submission of Audit plan / procedures and methodology covering all the points as per Scope of Work for Systems Audit after reviewing the same at respective Banks' Head offices;
2. Submission of Interim Systems Audit Report covering all the areas of scope of work as defined in the Tender document;
3. Final Systems Audit Report duly Signed off from respective banks;

4.4 Terms and conditions

The terms and conditions of the work are given at point No. 7. UPCB reserves the right to modify them, if required, at time of issue of order.

The audit firm must also submit specific suggestions/ recommendations and other detailed steps for enhancing the Facility Management Services, Environmental Controls, Logical Access Controls & End User Computing, based on the best industry practices.

4.5 Time frame of the deliverables

Entire project of CBS software audit to be completed in respect of all the modules within the timeline mutually decided by the 'UPCB' and 'System Auditor' depending on readiness of individual Banks; In other words, the Systems Audit should be completed within the mutually agreed time schedule;

5 Selection Criteria

5.1 Tender Methodology

- a) The tender methodology adopted is "Two Bid System" i.e., Technical Bid and Financial bid.
- b) The Technical Bid should be placed in a non-window sealed cover super-scribed with "RFP No. ____ "Technical Bid for System Audit".

- c) The envelope containing Technical Bid should also contain One Demand Draft for Rs.200000/-(Two Lakh Only) & Rs. Rs.5000/-(Five Thousand Only) for Tender Fee.
- d) The DD should be drawn in favour of Uttar Pradesh Cooperative Bank Limited”, payable at Lucknow. The EMD will not carry any interest
- e) The Financial bid should be placed in non-window sealed cover super-scribed with “RFP No. _____“, “Financial bid for System Audit“.
- f) All the covers, thus, prepared should also indicate clearly the Name and Address of the Audit firm.
- g) The bidder shall bear all the costs associated with the preparation and submission of the bid and UPCB will in no case be responsible or liable for those costs, regardless of the conduct or the outcome of the tendering process.
- h) Bids submitted without EMD and Application Fee Demand Draft will not be considered for evaluation.
- i) Bids sent by fax or e-mail will not be considered for evaluation.

5.2 Selection process

All bids shall be evaluated by an Evaluation Committee set up for this purpose by the Bank. The evaluation shall be on the basis of Technical evaluation and the price quoted. The Technical and Commercial Assessment shall have weightage of 70% and 30%, respectively, for evaluation, and these weightage shall be taken into consideration for arriving at the L1 price. Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the Successful Bidder does not accept the correction of the errors, its Bid will be rejected, and its Bid security may be forfeited. If there is a discrepancy between words and figures, the amount in words will prevail.

Phase I (Commercial Offer): Envelope I containing the technical bids will be opened and bidders meeting the eligibility criteria will be short-listed. The bidders need to explain their understanding of the project clearly in their Technical proposal. All bidders scoring more than 70 marks (in technical criteria) will be selected as the Technically Qualified Bidders. In case, less than three bidders get more than 70 marks in the technical criteria, the top three bidders getting the maximum marks in Technical Capability will be given preference, subject to them getting at least 60 marks. The bidders will have to submit the Technical Proposal in the attached format - **Annexure – SA-1**.

Phase II (Financial Offer): The Financial bids for short listed bidders after Phase I, will be opened. Based on overall assessment and calculation of L1 vendor given below, selection of L1 vendor will be done. The bidders will have to submit the Financial bid in the attached format - **Annexure – SA-2**.

The 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 SA-4 and SA-5;
 - e) Compliance certificate for all the terms and conditions as per SA-3;
 - f) All copies of certificates, documentary proofs etc.
 - g) Technical Bid (SA-1)
 - h) Financial Bid (SA-2A & 2B)
 - i) Self assessment check list of documents etc. (SA-6)
- 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 Managing Director, Uttar Pradesh Cooperative Bank Limited, Vidhan Sabha Marg, Lucknow – 226001”***.
 - The bids (arranged as mentioned above) are to be submitted to the Managing Director, UPB, Lucknow 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 'Tender Document', 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.

Vendor Assessment methodology

Technical Assessment (70% weightage)

- 1) Full marks i.e. 100 (absolute value) will be awarded to the bidder scoring the highest marks as per Ranking methodology for Technical evaluation (Section 5.2).
- 2) Proportionate marks will be awarded to the other bidders as a percentage of the highest marks received in Section 5.2.
- 3) Full 70 marks will be awarded to the bidder getting the highest marks.
- 4) Similarly proportionate marks will be awarded to the other bidders.

Commercial Assessment (30% weightage)

- 1) Full marks i.e. 100 (absolute value) will be awarded to the bidder quoting the lowest price i.e. Total Contract Value as per Financial bid.
- 2) Proportionate marks will be awarded to the other bidders as a percentage of the lowest quote.
- 3) Full 30 marks will be awarded to the bidder quoting the lowest price i.e. 30% of 100 i.e. 30. Similarly proportionate marks will be awarded to absolute value quoted by other bidders

Overall Assessment for calculation of L1:

- 1) Marks scored in Technical Assessment and Commercial Assessment will be added.
- 2) The bidder scoring the highest marks will be L1.

5.2.1 FORMATS OF BIDS:

The bidders should use the formats prescribed by the Bank in the 'Tender Document' for submitting both technical and financial bids.

5.2.2 Registration of 'Tender Document'

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

5.2.3 'Tender Document' Validity Period

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

5.2.4 Notification

'UPCB' will notify the successful respondents in writing as soon as practicable about the outcome of the 'Tender Document' evaluation process. 'UPCB' is not obliged to provide any reasons for any such acceptance or rejection.

5.2.5 Disqualification

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

6 Technical Bid

Firms meeting the eligibility criteria as described in the following sections will be considered for evaluation.

The Bank reserves the right to change or relax the eligibility criteria to ensure inclusivity.

6.1 Eligibility Criteria

The Bidder (System Auditor Firm) is required to meet the following 'minimum eligibility criteria' and provide adequate documentary evidence for each of the criteria stipulated below :

1. The System Auditor Firm should be a registered auditing firm and should have been in existence for a period of at least 3 years.
2. The System Auditor Firm should have registered office in India; preferably in Uttar Pradesh.
3. The System Auditor Firm must have at-least three (3) CA & FCA with the firm for more than 3 years.
4. The System Auditor Firm should have minimum turnover of Rs. 50.00 lac in the last 3 consecutive years. The System Auditor Firm should be a profit making firm in the past 3 years.
5. The System Auditor Firm should have a pool of resources who possess qualifications such as: DISA & CISA.
6. The System Auditor Firm must have necessary IT skills to point out the bugs in the application software supplied installed by the vendor.
7. The System Auditor Firm should have experienced personnel in the field of banking who have been with the firm for over a period of at least 3 years.

8. The System Auditor Firm should have been involved in CBS Software Audit & completed successfully for at-least one such audit of Bank / Financial Institutions (HO, DC & Branches); A copy of the letter from the Bank in support of the same should be enclosed with the Bid.

9. Experience in system audit of cooperative banks shall be preferred.

10. The System Auditor Firm should have sufficient Licensed and Latest version of System Auditing tools for system audit. (List of the auditing tools must be enclosed with their license details and the validity period). The service personnel should be on the rolls of the firm. The System Auditor Firm should not entrust the work under the project to any third party.

11. The System Auditor Firm should not have been blacklisted by any Government Department / PSU / PSE or Banks in India

Supporting Documents for Eligibility Criteria:

1. Following supporting documents must be submitted by the firm along with the technical proposal:

- (a) For S. No. 1, 2, & 3 above, the firm must submit an attested copy of Certificate of Licensing body as on 01/01/2013 & Partnership Deed).
- (b) For S. No. 4, the firm must submit, a copy of the audited balance sheet & respective ITR for the last three years.
- (c) For S. No. 5, 6, 7 & 10, the firm must submit a details of resources.
- (d) For S. No. 8, the firm must submit a copy of appointment letter from the auditee organizations;
- (f) For S. No. 9, the firm must submit documentary evidences in support of the same;
- (g) For S. No. 11, the firm must submit a self declaration in this regard;
- (h) Bidder must submit a detailed statement of facts and profile of the firm along with the 'Tender Document'. Copies of PAN Card, & Service Tax Registration;

2. The firm must achieve at least 70% of the marks to qualify on technical parameters for opening of financial bid.

3. The Managing Director, UPCB, Lucknow, reserves the right to reject the tender without assigning any reason.

The 'UPCB' will apply the Technical Evaluation criteria (methodology) as deemed fit for the purpose of evaluation in consultation with the committee constituted for this purpose. The evaluation criteria as applied by the 'UPCB' will be final and binding and no bidder will have

the right to challenge or question the criteria applied by the 'UPCB'.

6.2 Evaluation Process

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

7 Terms & Conditions:

7.1 Special Terms & Conditions:

- 1) The audit firm will offer commercial quote for cost plus applicable taxes.
- 2) Payment terms will be as follows:

The System Auditors' fees will be paid in the following manner for each item which is described in the Price bid (Annexure SA-2):

Payment will be made after successful completion of the CBS Systems audit and submission of deliverables in the form of audit reports to the Bank as under:

Payments will be released by the respective Banks' HO within 10 days of submission of respective reports & bills to the concerned Banks.

The System Auditor's fees will be paid in the following manner:

25%	Of the CBS System Auditors' fees after two weeks of commencement of the audit work and on submission of audit plan / procedures and methodology covering all the points as per Scope of Work for Systems Audit.
60%	Of the System Auditor's fees on submission of Interim Report covering all the points as per the Scope of Work.
15%	On final Sign-off

- 3) UPCB will neither provide nor reimburse expenditure towards any type of accommodation, travel ticket, airfares, train fares, halting expenses, transport, lodging, boarding etc.
- 4) Time is the essence of the contract. If the System Auditor fails to submit the report within the stipulated time and the delay is attributed to System Auditor, Uttar Pradesh Cooperative Bank Limited shall impose Liquidated Damages as under:

Sr No.	Condition	LD %
A	Delay up to one fourth period of the prescribed delivery period / Completion of work	2.50
B	Delay exceeding one fourth but not exceeding half of the prescribed period / completion of work	5.00
C	Delay exceeding one half but not exceeding three fourth of the prescribed period / completion of work	7.50
D	Delay exceeding three fourth of the prescribed period / completion of work	10.00

- Fraction of a day in reckoning period in Systems Audit shall be eliminated if it is less than half a day.
- The maximum amount of liquidated damages shall be 10.00 %.
- If the Systems Auditor requires an extension of time in completion of Systems Audit on account of occurrence of any hindrance, he shall apply in writing to the authority, which has executed the Contract, for the same immediately on occurrence of the hindrance but not after the stipulated date of completion of the Systems Audit.
- Period may be extended with or without liquidated damages if the delay in the supply of documents is on account of hindrances beyond the control of the bidder.
- Also liquidated damages would be deducted from the payment due for that milestone.

5) The audit firm will not sub contract part or complete assignment to any other agency or individual. In case of such unavoidable circumstances, the audit firm has to take prior written permission from UPCB for engaging such agency or individual.

6) The audit firm shall keep information related to UPCB confidential and will not divulge to outside agencies without written consent from UPCB .

7) The audit firm upon selection shall sign the declaration as given in the Annexure SA-1, before commencement of the audit.

7.2 General Terms and Conditions:

(These terms and conditions are generic in nature, which have been mentioned for the knowledge of the Audit firms and may be changed to specific terms and conditions with

necessary changes with each Work Order as and when applicable).

I. Adherence to Terms and Conditions:

The bidders who wish to submit responses to this 'Tender Document' should note that they should abide by all the terms and conditions contained in the 'Tender Document'. 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. A line of confirmation to this effect is required along-with Technical Proposal.

II. Execution of Agreement:

The System Auditor 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 'UPCB' and (b) Non-disclosure Agreement. The System Auditor should execute the SLA and NDA within one month from the date of acceptance of Letter of Appointment. An indicative list of terms & conditions are being mentioned here which may vary according to banks requirement.

7.3 Broad terms and conditions of the Contract / Agreement: Annexure - A

7.4 Other terms and conditions:

'UPCB' reserves the right to:

- Reject any and all responses received in response to the 'Tender Document'
- 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 'Tender Document' by any bidder, with any other bidder(s) /others, in any form.
- Cancel the 'Tender Document' / Tender at any stage, without assigning any reason whatsoever.

Professionalism: The System Auditor 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.

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

The 'UPCB' 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.

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".

The bidder cannot change the 'Team Leader' during entire period of execution of the scope unless consented in writing by the Bank.

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.

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

8 Annexures / Formats for the Proposal

8.1 SA - 1 Technical Proposal format:

Particulars to be provided by the bidder in the technical proposal – Tender No. COOP BANK/CBS/2012-2013/01

1.	Name of the bidder:	
2.	Year of establishment and constitution	
3.	Location of Registered Head office	
4.	Location(s) of Branch Office and addresses	
5.	Mailing address of the bidder	
6.	Names and designations of the persons authorized to make commitments to the Bank	
7.	Telephone and fax numbers of contact persons	
8.	E-mail addresses of contact persons	
9.	Details of : Description of business and business background Service Profile & client profile Domestic & International presence Alliance and joint ventures	
10.	Details of experience / knowledge possessed in the areas of Systems Audit Planning and management, Resource Planning, Role and Responsibility definition, Co- ordination across multiple teams, Audit & Project risk analysis and containment	
11.	Gross revenue of the bidder (not of the group) (Years 2009-10, 2010-11 & 2011-12)	
12.	Net Profit of the bidder (not of the group) (Years 2009-10, 2010-11 & 2011-12)	
13.	Details of similar assignments executed by the bidder (Name of the Bank / Branch, year 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/ Branch, time projected for execution of the assignment and documentary proofs from the Bank are to be furnished).	
15.	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 SA-5	
16.	Details of Number of teams proposed and Team Compositions with reference to the Scope & volume of work and availability of skilled persons with the firm;	

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 SA-5	
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 SA-4	
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 & the audit tools which he will be using to conduct the audit,	
22.	Details of deliverables the bidder proposes with specific reference to the scope of work.	

Declaration:

1. We confirm that we are technically eligible for submitting the said proposal for System Audit of CBS in Banks as enumerated in the minimum eligibility criteria in the tender document;
2. We confirm that we will abide by all the terms and conditions contained in the 'Tender Document'.
3. 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 'Tender Document', in short listing of bidders.
4. 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.
5. 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 'Tender Document'.
6. We confirm that we have noted the contents of the 'Tender Document' and have ensured that there is no deviation in filing our response to the 'Tender Document' and that the Bank will have the right to disqualify us in case of any such deviations.

Place:

Date:

Seal & Signature of the bidder

8.2 SA – 2A Financial Bid Format

The Financial Bid should contain the Total cost, on a fixed cost basis.

The format for the financial bid (Per unit cost) is given below:

S. No.	System Audit activities	Per unit Cost Rs.
1.	Systems Audit of one Branch hardware & Software	
2.	Systems Audit of CBS Banking application software (One unit per DCB)	
3.	Head Office Hardware and Software Audit (One unit per DCB)	
4.	Data Center Audit (<i>Hardware & Infrastructure</i>)(One unit per DCB)	
	Total	

- Only the total amount inclusive of taxes will be reckoned for selecting L1 Tenderer.
- TDS will be deducted from the amount at the rates prevailing as on the date of payment

Date:

Authorized Signatory

8.3 SA – 2B Financial Bid Format

The Financial Bid should contain the Total cost, on a fixed cost basis.

The format for the financial bid (Consolidated) is given below:

S. No.	Name of Banks	Cost (Rs.)	Prevailing Taxes, if any (Rs.)	Total Cost (inclusive of all taxes, etc) Rs.
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
	Total			

- Only the total amount inclusive of taxes will be reckoned for selecting L1 Tenderer.
- TDS will be deducted from the amount at the rates prevailing as on the date of payment
- Inclusion of any conditional offer shall be rejected

Date:

Signatory

Authorized

8.4 SA – 3 Compliance Certificate

To
The Managing Director
Uttar Pradesh Cooperative Bank Limited,
Mahatma Gandhi Marg
LUCKNOW - 226001

Date:

Dear Sir,

Ref: - Tender for System Audit of DCBs

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 System audit for the Banks.
2. If our Bid is accepted, we undertake to complete the Systems Audit 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.
9. We agree to abide by the all the terms and conditions as mentioned and detailed in the 'Tender Document';

Place :

Date :

Phone No.:

Fax:

Seal & Signature of the bidder

E-mail:

8.5 SA – 4 Estimated Effort and Elapsed Time

Sl No	Activities	Elapsed Time	Effort in Man days	Name, Qualification & Number of team members who will be deployed	Remarks

Place:

Date:

Seal and Signature of Bidder

8.6 SA – 5 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	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.)

8.7 SA – 6 Self Assessment

Check List of Documents:

Sheet to be attached along-with Technical Proposal by the respective bidders duly signed with firm seal;

Sl. No.	Particulars	Minimum Criteria	Available (Yes/No)	Remarks / Actual Availability (If Yes)
1.	Years of establishment of the firm;	3 Years	Yes / No	
2.	Registered office in India;	3 years	Yes / No	
3.	Branch offices of the firm in Lucknow / UP	Branches in UP	Yes / No	
4.	Number of Full Time CAs & FCAs associated with the firm	3	Yes / No	
5.	Turnover of the firm (Minimum in last three financial years)	50 Lacs	Yes / No	
6.	Number of DISA qualified persons with the firm	1	Yes / No	
7.	Number of CISA qualified persons with the firm	1	Yes / No	
8.	No. of assignments: Experience of Systems Audits of Banks / Branches of PSBs		Yes / No	
9.	No. of assignments: Experience of Systems Audit of Bank / FI (HO, DC, & Branches)	1	Yes / No	
10.	Availability of qualified networking professionals		Yes / No	
11.	Availability of sufficient Licensed and Latest version of System Auditing tools for system audit.	1	Yes / No	

1.	Desired Tender Application Money Demand Draft attached;	Rs. 5,000/=	Yes / No	Fvg UP Lucknow
2.	Desired Earnest Money for Tender Demand Draft attached;	Rs. 5,00,000/=	Yes / No	Fvg UP Lucknow

1.	Technical Proposal with all attachments provided in a separate sealed cover with required identifications;	Sealed in a separate cover	Yes / No	
2.	Financial Proposal complete in all respect and signed with seal is provided in a separate sealed cover with required identifications;	Sealed in a separate cover	Yes / No	
3.	Both the above proposals (Technical & Financial) are sealed in a main cover with proper identification as desired;	Sealed in a main cover	Yes / No	

8.8 Annexure – A

Broad terms and conditions of the Contract / agreement:

The Systems Auditors will have to audit the System Architecture and various audit as defined in the scope at the designated locations within the time period specified for this purpose by the bank.

The award of the Systems audit assignment will be for a period of one year from the date of signing of the Contract.

Only Persons having **CISA/DISA** qualifications and with adequate experience will be utilized by the Systems Audit firm for auditing the Systems Audit. Franchise of Information Security Auditors will not be permitted under any circumstances.

Teams comprising CISA / DISA qualified persons as team leaders to be deployed the Systems Audit Firm to execute the work.

Arbitration:

The Bank and the System Auditor 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.

- i. If any dispute, difference or question shall at any time arise between the parties as to the implementation / execution of this project or concerning anything herein contained or arising out of this Agreement or as to the rights, liabilities and duties of the parties hereunder, that the decisions of UTTAR PRADESH COOPERATIVE BANK LIMITED is final and binding , the same shall be referred to arbitration and a final decision, after giving at least 30 days notice in writing to the other (hereinafter referred to as the Notice for Arbitration) clearly setting out the terms of disputes to a sole arbitrator who shall be appointed as hereinafter provided.
- ii. For the purpose of appointing the sole arbitrator referred to above, UTTAR PRADESH COOPERATIVE BANK LIMITED shall send to the System Auditor within 30 days of the notice of arbitration a panel of three names of persons who shall be presently unconnected with the organisation of the UTTAR PRADESH COOPERATIVE BANK LIMITED or the System Auditor.
- iii. The System Auditor shall on receipt of the names as aforesaid select any one of the persons so named to be appointed as the sole arbitrator and communicate his name to the UTTAR PRADESH COOPERATIVE BANK LIMITED within 15 days of receipt of the names. UTTAR PRADESH COOPERATIVE BANK LIMITED shall thereupon without any delay appoint the said person as the sole arbitrator. If the System Auditor fails to communicate such selections as provided above within the period specified, UTTAR PRADESH COOPERATIVE BANK LIMITED shall make the selection and appoint the sole arbitrator from the panel notified to the System Auditor.

- iv. If the arbitrator so appointed is unable or unwilling to act or refuse his appointment or vacate his office due to any reasons whatsoever, another sole arbitrator shall be appointed by selecting from remaining persons on the panel by UTTAR PRADESH Cooperative Bank Limited.
- v. The sole arbitrator shall have power to open up, review and revise any certificate, opinion of decision, requisition or notice and to determine all other matters in dispute which shall be submitted for arbitration and of which notice shall have been given as aforesaid subject to aforesaid. The arbitrator shall be governed by the Indian Arbitration Act, 1957 or such other Act in force.
- vi. The award of the arbitrator shall be binding and final on the parties. It is hereby agreed that in all disputes referred to the arbitration, the arbitrator shall give a separate award in respect of each dispute or difference in accordance with the terms of reference and award shall be a reasoned award.
- vii. The fees, if any, of the arbitrator is required to be paid before the award is made and published, be paid in equal proportion by each of the parties. The cost of the reference and award including the fees, if any, of the arbitrator shall be directed to be borne and paid by such party or parties to the dispute, in such manner or proportion as may be directed by the arbitrator in the award.
- viii. UTTAR PRADESH COOPERATIVE BANK LIMITED and the System Auditor also hereby agree that the arbitration under this clause shall be a condition precedent to any right of action under the contract with regard to the matters hereby expressly agreed to be so referred to arbitration.
- ix. Securities contained to be rendered notwithstanding any reference or dispute to the arbitration. It is specifically agreed that the System Auditor shall continue to render their services provided herein with all the diligence, professional skill and tact notwithstanding that any matter, question or dispute has been referred to arbitration.

Schedule of System Audit:

Tentative schedule of systems audit will be finalized mutually by the U P Cooperative Bank Limited, Lucknow according to system auditing plan to be submitted by the system auditor :-

Sr. No.	Name of the Bank	No of Branches	Completion time (Tentative)
1	Lakhimpur Kheri	62	
2	Orai (Jalaun)	18	
3	Firozabad	14	
4	Mathura	19	
5	Meerut	51	
6	Bulandshahar	26	
7	Saharanpur	30	
8	Muzaffar Ngr.	44	
9	Ghaziabad	32	
10	Bareilly	27	
11	Pilibhit	15	

12	Shahjahanpur	22	
13	Moradabad	41	
14	Rampur	29	
15	Bijnor	41	

Delays in the Information System Audit

The System Auditor must strictly adhere to the audit schedule, as specified in the Contract, executed between the bank and the System Auditor, pursuant hereto, for performance of the obligations arising out of the contract and any delay will enable the Bank to resort to any or all of the following:

- (a) Claiming Liquidated Damages;
- (b) Termination of the agreement fully or partly

Liquidated Damages for Delay:

Time is the essence of the contract. If the System Auditor fails to submit the report within the stipulated time and the delay is attributed to System Auditor, Uttar Pradesh Cooperative Bank Limited shall impose Liquidated Damages as under:

Sr No.	Condition	LD %
A	Delay up to one fourth period of the prescribed delivery period / Completion of work	2.50
B	Delay exceeding one fourth but not exceeding half of the prescribed period / completion of work	5.00
C	Delay exceeding one half but not exceeding three fourth of the prescribed period / completion of work	7.50
D	Delay exceeding three fourth of the prescribed period / completion of work	10.00

- Fraction of a day in reckoning period in Systems Audit shall be eliminated if it is less than half a day.
- The maximum amount of liquidated damages shall be 10.00 %.
- If the Systems Auditor requires an extension of time in completion of Systems Audit on account of occurrence of any hindrance, he shall apply in writing to the authority, which has executed the Contract, for the same immediately on occurrence of the hindrance but not after the stipulated date of completion of the Systems Audit.
- Period may be extended with or without liquidated damages if the delay in the supply of documents is on account of hindrances beyond the control of the bidder.
- Also liquidated damages would be deducted from the payment due for that milestone.

Governing Language

All correspondence and other documents pertaining to the contract shall be written in Hindi or English only.

Notices

Any notice given by one party to the other pursuant to this contract shall be sent to the other party in writing or by cable or facsimile and confirmed in writing to the sender's address (the address as mentioned in the contract).

A notice shall be effective when delivered or on the notice's effective date, whichever is later.

Use of Contract Documents and Information

The System Auditor shall not, without the Bank's written consent, disclose the Contract or any provision thereof, or any specification or information furnished by or on behalf of the Bank in connection therewith, to any person(s) other than a person(s) employed by the Security Audit or in the performance of the Contract. Disclosure to any such employed person(s) shall be made in confidence against Non- disclosure agreements completed prior to disclosure and disclosure shall extend only so far, as may be necessary for purpose of such performance.

Any document, other than the Contract itself, shall remain the property of the Bank and all copies thereof shall be returned to the Bank on termination of the Contract, if so required by the Bank.

The System Auditors shall not, without the Bank's prior written consent, make use of any document or information except for purposes of performing the Contract.

Indemnification

The Information System Auditor shall, at their own expense, defend and indemnify the Bank against any claims due to loss of data / damage to data arising as a consequence of any negligence during Information System Audit.

Professional Fees / Charges

The price charged by the Information System Auditor for the services performed shall not vary from the contracted schedule of fees. Taxes as applicable will be deducted from the fees, as per prevailing rules on the date of payments.

Force Majeure

The System Auditor or the Bank is not responsible for delays or non- performance of any contractual obligations, caused by war, blockage, revolutions, insurrection, civil commotion, riots, mobilizations, strikes, blockade, acts of God, plague or other epidemics, fire, flood, obstructions of navigation by ice of port of despatch, acts of Govt. or public enemy or any other event beyond the control of either party which directly, materially and adversely affect the performance of any contractual obligation.

If a force majeure situation arises, the System Auditor shall promptly notify the Bank in writing of such conditions and the change thereof. Unless otherwise directed by the Bank, in writing, the System

Auditor shall continue to perform his obligations under the contract as far as reasonably practiced and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

Payment Terms

Payments for the job of System Auditor will be milestone payments after completion of each assignment. The System Auditor's fees will be paid in the following manner:

25%	Of the System Auditors' fees after two weeks of commencement of the audit work and on submission of audit plan / procedures and methodology covering all the points as per Scope of Work for System Audit.
60%	Of the System Auditor's fees on submission of Interim Report covering all the points as per the Scope of Work.
15%	On final Sign-off

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.

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.

Publicity

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

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 Lucknow (with the exclusion of all other Courts).

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.

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.

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.

Termination

The Bank may at any time terminate the contract by giving written notice to the Audit firm, if the Audit firm becomes bankrupt or otherwise insolvent. In this event, termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the Bank. The Bank reserves the right to cancel the contract in the event of happening one or more of the following Conditions:

- Failure of the successful Audit firm to accept the contract and furnish the Performance Guarantee within specific days of receipt of purchase contract as stated in the Purchase order;
- Delay in offering services;
- Delay in completing installation / implementation and acceptance tests / checks beyond the

specified periods;

In addition to the cancellation of purchase contract, Bank reserves the right to appropriate the damages through encashment of Bid Security / Performance Guarantee given by the Audit firm.

SUPPLEMENTAL TERMS AND CONDITIONS

A. **Proprietary and Related Rights**

1. **Bank Property:** All data or information supplied by the Bank to System Auditor ("System Auditor") in connection with the services being provided by System Auditor ("the Services") shall remain the property of the Bank or its licensors. All deliverables to the extent prepared by System Auditor hereunder for delivery to the Bank ("the Deliverables") shall be the property of the Bank.
2. **System Auditor Property:** In connection with performing the Services, System Auditor 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 System Auditor prior to, or independently from, its engagement hereunder and are the sole and exclusive property of System Auditor and System Auditor retains all rights thereto, as well as to all modifications, enhancements and derivative works of such Technical Elements created, developed or prepared by System Auditor during the performance of the Services. System Auditor also retains right to utilize certain tools and packages developed by third party over which System Auditor has acquired the rights to use. In addition System Auditor 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 System Auditor in connection with the Services shall remain the property of System Auditor.

B. **Confidential Information**

Confidentiality: Except as otherwise expressly provided in the text of the engagement letter, SYSTEM AUDITOR 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 to 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 System Auditor. System Auditor, in furnishing services to the Bank hereunder, is acting only

as an independent contractor. System Auditor 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; System Auditor 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.

D. 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 System Auditor performing the Testing Services.
2. If the testing services involve third party System Auditors, the Bank shall obtain all necessary consents of third party System Auditors.

E. Internet e-mail:

The Bank acknowledges that: (i) System Auditor, the Bank and others participating in this engagement may correspond or convey documentation via Internet e-mail.