



Kenya Commercial Bank Ltd

REQUEST FOR PROPOSAL

FOR

INTERNET ACQUIRING GATEWAY

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ISSUE OF RFP DOCUMENT: - **INTERNET ACQUIRING GATEWAY**

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Name of Person : _____

Organization Name : _____

Address : _____

Tel No: _____

Fax No: _____

Email Address: _____

Signature: _____

Date: _____

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1.0 Background

Kenya Commercial Bank Limited (hereinafter referred to as “the Bank”) is a leading commercial banking group in the East African region, renowned for its diversity and growth. The Bank’s vision is “to be the preferred Financial Solution Provider in Africa with a Global Reach by 2013”.

With its head office in Nairobi, Kenya, the bank has subsidiary companies in Kenya, Tanzania, Sudan, Uganda, Rwanda and planning to open more in the Africa region.

In addition to core financial services, the bank provides bank card issuing and acquiring services.

2.0 Required

The Bank hereby invites bids for supply and implementation of an Internet Acquiring Payment Gateway (the Gateway).

The applications will have functions and features indicated below under “the Proposal”.

3.0 The Proposal

It is required that the proposal states how the applications will address the areas listed below. Reasonable details are expected.

i. Functional.

a) How it is required to work

A cardholder will choose item to buy on merchant portal and, to facilitate payment, the merchant portal will connect to the Gateway to complete the transaction through KCB’s systems. This means that the Gateway must have merchant portal plug in and interfaces to systems at KCB.

The bank is in preference of a gateway that will be commissioned at the bank’s premises as opposed to a supplier hosted gateway.

b) Overall Features

- Give details of the name and version of software being proposed.
- Give details of the owner (holder of the intellectual property right) of the applications
- The bidder should indicate the extent to which it can make changes or alteration to the Gateway.
- The Gateway must meet acceptable security standards.
- The Gateway must have easy and user friendly tools for operators to navigate round the system.
- The Gateway should support multiple card brands, types and products; Visa, Mastercard, cards from other networks and proprietary cards.
- The Gateway should be able to switching messages to multiple hosts/networks.
- The Gateway must support multiple currency and perform the necessary currency conversion. Multicurrency configurable must be configurable.
- The Gateway should have an efficient way of managing traffic (throttling)
- The Gateway should have a mechanism for version control.

c) System Security

- SSL Client and server certificates:
Is the authorization page safe-guarded by the SSL server certificate with at least 128-bit encryption? Who has issued the certificate?
- Multiple erroneous attempts to use the system:
Does the system note the number of login-failed attempts or excessive/erroneous usage and trigger the necessary defensive mechanism? Explain the features.
- PCI Standards Compliance
Does the system conform to the payment card industry standards? Certificates from a QSA will be required.
- Approval by Mastercard or Visa
Is the system approved by Visa or Mastercard? Prove will be required.
- Encryption
What other web-related encryption mechanisms are integrated in the system?
- Data Storage

Does the system store any cardholder data and if so, how does it secure it?

ii. Operational

- How will it work?

d) Features

- Message Types supported

The following functions should be support:-

- Sale
- Pre-authorization and completion
- Reversals
- Refund
- Void
- Cards verification
- Batch settlement report
- Business day cut-over.

Explain how each is handled.

- Provide a list of any additional hardware/software items that the bank need to procure for successful installation.

e) Card Verification

- The system should be able to carry out basic card verification including but not limited to; the Luhn check, expiry date checks, zero amount, etc.
- The system must validate CVV2 and reject any transactions without a valid CVV2.
- The system should have the ability to blacklist and reject cards that have been hot-listed.
- VbV and Mastercard secure code interfaces

Does the gateway have interfaces to the VbV and Mastercard secure code systems?

f) User Access Control

- User access control is required. How does the system manage this?
- The system should support supervisor overrides to restricted configuration parameters. How has this been implemented?

- The system should provide for transaction reports, as well as logging activities on the site as well as audit trails for any user activities done on configuration items.

iii. Interfaces and integration

- Messaging protocol

Does the system support ISO 8583? If not, what messaging protocol is used?

- Ability to interface to a fraud management system

Which fraud management system can the system integrate with? Give details.

- Explain the system communication topology and the message flow.

Please see additional information on “existing infrastructure”.

- Where will the gateway be hosted? Is it at the bank’s premises or at a third party site.

iv. Documentation and user training

- State the types of documentation available and what documentation will be given to the bank.

- What training will be given to the bank and the establishment?

Note: It is required that the training provided should make the bank staff operationally self-sufficient and able to carry out first level support.

v. References and assurance

- For how long has the solution been in the market?
- Provide CVs for your personnel that support the solution.
- Please provide a list of at least four (4) reference sites where the solution is working.

vi. Implementation

- Provide a project plan for implementation showing:-

- Time required for installation, testing and training.

- Show pre-installation deliverables.

- Your personnel (number) that will implement the solution

- Your personnel that will be require on site and the number of trips that will be made to site, and the activity and duration of each trip.

- The bank’s personnel that will be required

Note: Successful implementation will be subject to user acceptance after the bank conducts user acceptance tests (UAT).

vii. Maintenance, support and on-going licence

- Maintenance is required for the software. Ability to maintain the hardware will be an added advantage.
- Give details of support
 - Where will on-going maintenance and support be provided from?
 - Do you have local support (personnel/agent based in Kenya)?
 - What are the support hours. Note: the bank prefers 24*7 support.
 - How will support issues be communicated (e.g. by remote login, telephone, email, site visit etc.)?
- Provide details of your turn around times and assured issues resolution time.

viii. Cost.

The “Financial Proposal” (see 5.1.c) must state the cost and payment terms including payment currency (see 5.8 below), taxes (see 5.6 below), escalations and cost variations (if any), etc. for the following:-

- Initial licence
- Implementation costs

Annual recurring licence and maintenance and support costs

4.0 Existing Integrated host infrastructure

The bank currently has the following hosts systems:-

- Postilion® server which controls merchant integrated POS and routes transactions to the Banks debit and credit Hosts.
- ONLINE® - the credit host
- Sparrow® / BankWorld® - the debit host
- Prime® - the credit management and settlement

5.0 Format of the responses / Other information to bidders

General Information and Submission

- a) A brief description of the service required is given in section 2 –Objectives. The proposer shall include in their bid any additional services considered necessary for the successful completion of the project.
- b) Proposals should be submitted in two distinct parts, namely
 - i. technical proposal and
 - ii. financial proposal

These should be in two separate sealed envelopes, both of which should then be placed in a common sealed envelope marked

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DO NOT OPEN BEFORE 26th June 2009.

- c) The two separate inner envelopes should be clearly marked “**Technical Proposal**”, and “**Financial Proposal**”, respectively, and should bear the name of the Bidder.
- d) The Technical Proposal should contain the following:
 - i. A schedule showing whether the proposed system meets each of the requirements listed in section 3, with a brief description to confirm.
 - ii. The Proposed work plan on the basis of the proposed time schedule outlined in section 3.
 - iii. The name and brief qualifications and experience of the person(s) who will implement the solution.
- e) The Financial proposal shall clearly indicate the total cost of carrying out the project, but should be broken down to the elements outlined in section 3.8 and should show separately:
 - i. Implementation costs
 - ii. On-going license and support costs
- f) Bidders are requested to hold their proposals valid for ninety (90) days from the closing date for the submission. The Bank will make its best efforts to select a firm within this period.
- g) All costs pertaining to the preparation of a proposal and negotiations of a contract shall be borne by the firms submitting proposals.
- h) The bid documents, shall be addressed to

**The Head Of Procurement,
Kenya Commercial Bank Limited,
Kencom House 7th Floor, Moi Avenue,
P. O. Box 48400-00100 GPO
Nairobi, Kenya
Tel +254 20 3270 490 fax +254 20 2240977**

And clearly marked :

RFP- INTERNET ACQUIRING SOLUTION

- i) Bids should be sent by postal mail or courier.
- j) The Bank reserves the right to accept or to reject any bid, and to annul the bidding process and reject all bids at any time prior to the award of the contract, without thereby incurring any liability to any Bidder or any obligation to inform the Bidder of the grounds for its action.

6.0 Cost of bidding

The Bidder shall bear all costs associated with the preparation and submission of its bid, and the Bank will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

7.0 Clarification of Bidding Document

All correspondence related to the contract shall be made in English. Any clarification sought by the bidder in respect of the project shall be addressed at least **ten (10) days** before the deadline for submission of bids, in writing to the Head Of Procurement.

The queries and replies thereto shall then be circulated to all other prospective bidders (without divulging the name of the bidder raising the queries) in the form of an addendum, which shall be acknowledged in writing by the prospective bidders.

Enquiries for clarifications should be sent by e-mail to kcbhq@kcb.co.ke

8.0 Amendment of Bidding Document

At any time prior to the deadline for submission of bids, the Bank, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, may modify the bidding documents by amendment.

All prospective Bidders that have received the bidding documents will be notified of the amendment in writing, and it will be binding on them. It is therefore important that bidders give the correct details in the format given on page 1 at the time of collecting/receiving the bid document..

To allow prospective Bidders reasonable time to take any amendments into account in preparing their bids, the Bank may at its sole discretion extend the deadline for the submission of bids based on the nature of the amendments.

9.0 Deadline for Submission of Bids

Bids should be addressed to the Head of Procurement and sent for receipt on or before **1500 hrs (GMT + 3) at latest to the address as stated in 5.1 (h)**

Bids sent by mail should reach by the same deadline. Bids received after the above-specified date and may not be considered.

10.0 Taxes and Incidental Costs

The prices and rates in the financial offer will be deemed to be inclusive of all taxes and any other incidental costs and overheads but exclusive only of Value Added Tax (VAT), which shall be computed at the rates in force at the time of contract. The bidder must include on all price schedule a statement to the effect that the prices quoted are exclusive of applicable VAT.

11.0 Responsiveness of Proposals

The responsiveness of the proposals to the requirements of this RFP will be determined. A responsive proposal is deemed to contain all documents or information specifically called for in this RFP document. A bid determined not responsive will be rejected by the Bank and may not subsequently be made responsive by the bidder by correction of the non-conforming item(s).

12.0 Currency for Pricing of Tender

All bids in response to this RFP should be expressed in **United States Dollars**. Expressions in other currencies shall not be permitted.

13.0 Correction of Errors.

Bids determined to be substantially responsive will be checked by the Bank for any arithmetical errors. Errors will be corrected by the Bank as below:

- a) where there is a discrepancy between the amounts in figures and in words, the amount in words will govern, and
- b) where there is a discrepancy between the unit rate and the line total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern.

The price amount stated in the bid will be adjusted by the Bank in accordance with the above procedure for the correction of errors.

14.0 Evaluation and Comparison of Bids

Technical proposals will be evaluated prior to the evaluation of the financial bids. Financial bids of firms whose technical proposals are found to be non-qualifying in whatever respect may be returned unopened.

15.0 General Conditions of the Contract

I. Introduction

Specific terms of contract shall be discussed with the bidder whose proposal will be accepted by the Bank. The resulting contract shall include but not be limited to the general terms of contract as stated below from 6.2 to 6.16.

II. Award of Contract

Following the opening and evaluation of proposals, the Bank will award the contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined as the best evaluated bid. The Bank will communicate to the successful bidder its intention to finalise the draft conditions of engagement submitted earlier with his proposals. After agreement will have been reached, the successful bidder shall be invited for agreement and signing of the contract agreement to be prepared by the Bank in consultation with the bidder.

III. Application of General Conditions of Contract

These General Conditions (sections 6.2 to 6.16) shall apply to the extent that they are not superseded by provisions in other parts of the Contract that shall be signed.

IV. Bid Validity Period

Bidders are requested to hold their proposals valid for ninety (90) days from the closing date for the submission.

V. Non-variation of Costs

The prices quoted for the service and subsequently agreed and incorporated into the contract shall be held fixed for the contract period.

VI. Performance Security

6.6.1 The bank may require that after the receipt of an award of Contract from the Bank, the successful Bidder shall furnish Performance Security to the Bank in the amount specified in the accepted Bid.

6.6.2 The Performance Security shall be in the form of a Bank guarantee issued by a commercial bank operating in Kenya and shall be in a format prescribed by the Bank.

6.6.3 The proceeds of the Performance Security shall be payable to the Bank Limited as compensation for any loss resulting from the Bidder's failure to complete its obligations under the Contract.

The Performance Security will be discharged by the Bank not later than two months following the date of completion of the Bidder's performance obligations, and the Bank's acceptance of the final report as specified in the contract.

VII. Delays in the Bidder's Performance

6.7.1 Delivery and performance of the Services shall be made by the successful Bidder in accordance with the time schedule as per Agreement.

6.7.2 If at any time during the performance of the Contract, the Bidder should encounter conditions impeding timely delivery and performance of the Services, the Bidder shall promptly notify the Bank in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Bidder's notice, the Bank shall evaluate the situation and may at its discretion extend the Bidder's time for performance, with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the Contract.

6.7.3 Except in the case of "force majeure" as provided in Clause 6.14, a delay by the Bidder in the performance of its delivery obligations shall render the Bidder liable to the imposition of liquidated damages pursuant to Clause 6.8.

VIII. Liquidated damages for delay

The contract resulting out of this RFP shall be incorporate suitable provisions for the payment of liquidated damages by the successful bidder in case of delays in performance of contract.

IX. Governing Language

The Contract shall be written in the English Language. All correspondence and other documents pertaining to the Contract which are exchanged by the parties shall also be in English.

X. Applicable Law

This agreement arising out of this RFP shall be governed by, and construed in accordance with the laws of Kenya and the parties submit to the exclusive jurisdiction of the Kenyan Courts.

XI. Bidder's Obligations

6.11.1 The Bidder is obliged to work closely with the Bank's staff, act within its own authority, and abide by directives issued by the Bank that are consistent with the terms of the Contract.

- 6.11.2 The Bidder will abide by the job safety measures and will indemnify the Bank from all demands or responsibilities arising from accidents or loss of life, the cause of which is the Bidder's negligence.
- 6.11.3 The Bidder is responsible for managing the activities of its personnel, or subcontracted personnel, and will hold itself responsible for any misdemeanours.
- 6.11.4 The Bidder shall appoint an experienced counterpart Project Manager for the duration of the project. The Bank may also demand a replacement of the manager if it is not satisfied with the manager's work or for any other reason.

16.0 The Bank's Obligations

In addition to providing Bidder with such information as may be required by the bidder to complete the Project, the Bank shall,

- a) provide the Bidder with specific and detailed information concerning Bank's work flow, procedures and transaction volumes;
- b) in general, provide all information and access to Bank's personnel;
- c) make available to the Bidder, for the Bidder's use in fulfillment of this Agreement, conventional office facilities for use by the employees of Bidder; and
- d) appoint a coordinator who shall arrange any access to its information and staff required by Bidder for its performance under the contract.

17.0 Confidentiality

The parties undertake on behalf of themselves and their employees, agents and permitted subcontractors that they will keep confidential and will not use for their own purposes (other than fulfilling their obligations under the contemplated contract) nor without the prior written consent of the other disclose to any third party any information of a confidential nature relating to the other (including, without limitation, any trade secrets, confidential or proprietary technical information, trading and financial details and any other information of commercial value) which may become known to them under or in connection with the contemplated contract. The terms of this Clause 6.13 shall survive the expiry or earlier termination of the contract.

18.0 Force Majeure

- a) Neither the Bidder nor Bank shall be liable for failure to meet contractual obligations due to Force Majeure.
- b) Force Majeure impediment is taken to mean unforeseen events, which occur after signing the contract with the successful bidder, including but not limited to strikes, blockade, war, mobilization, revolution or riots, natural disaster, acts of God, refusal of license by Authorities or other stipulations or restrictions by authorities, in so far as such an event prevents or delays the contractual party from fulfilling its obligations, without its being able to prevent or remove the impediment at reasonable cost.
- c) The party involved in a case of Force Majeure shall immediately take reasonable steps to limit consequence of such an event.
- d) The party who wishes to plead Force Majeure is under obligation to inform in writing the other party without delay of the event, of the time it began and its probable duration. The moment of cessation of the event shall also be reported in writing.
- e) The party who has pleaded a Force Majeure event is under obligation, when requested, to prove its effect on the fulfilling of the contemplated contract.

19.0 Payment

Payment shall be made in full following successful implementation and acceptance by the Bank.

20.0 Service Level Agreements

The resultant contract shall incorporate a suitable service level agreement. For this purpose bidders are required to submit a proforma service level document together with their bids. This should reflect what level of service will be offered, escalations, expectations and measurement parameters.