

Clarification to Queries- Invitation for Expression of Interest (EoI) – Hiring of Consultant for the Project FINnet

S. No.	Category	Reference	Clarifications Requested / Remarks	Response
1	General	Clause 4.5	Who are the key stakeholders involved in this initiative and will be signing off the report ?	The stakeholders are the employees, reporting entities, national intelligence/enforcement agencies, regulatory agencies, ministry of finance and foreign FIUs. The report will be signed off by Director, FIU-IND or his nominee after taking necessary approvals.
2	General	Clause 4.5	Will all the stakeholders be available for workshops/ requirements gathering for the proposed report ?	Interactions with the representatives of stakeholders will be organised at Delhi to assess their requirements and data available with them.
3	General	Clause 4.5	Please clarify on how many specific stakeholders should the consultant interact during the entire project and which are those specific stakeholders? Also clarify on what should be the level / depth of the interaction with these stakeholders? E.g. After identifying a particular requirement of FIU (say list of top tax payers), should the consultant interact individually with each tax collection agency (say CBDT, Commercial Taxes, CBEC, etc.) to confirm the availability of such data and also study the reports made available by these agencies on the said subject possibly to further value add on the FIU's basic requirement. Is the consultant, during the interaction with stakeholders, also expected to assess their requirements or any reports expected from FIU which can be readily made use of? This requirement from particular stakeholder can be considered while designing the solution for FIU.	All relevant inputs which would have an impact on the design of the FIU-IND's information system will be taken from stakeholders.
4	General		Who are the end users of the proposed system ?	The proposed system would primarily be used by FIU-IND and if required, limited access can be provided to other stakeholders such as reporting entities and national enforcement/intelligence agencies.
5	General		What approval and acceptance mechanism would be adopted by FIU-IND with respect to consultant's deliverables and work products?	Will be specified in the RFP.
6	General		What would be the nature of the counterparty team from the FIU – would it be a standing team with a consultative role to the selected consultant or would be of the nature of a nodal team facilitating the consultant's interaction with various personnel / agencies?	FIU-IND will set up a team of officers and staff which would provide necessary inputs to the Consultants in preparation of the report. The team will also facilitate interaction with other personnel/agencies.
7	General		What would be composition of the Steering Committee other than the Consultant's representatives ?	Will be specified in the RFP.

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8	General		What would be the composition of the decision making authority that would approve high value financial proposals/budgets? Will this authority include any external government entities such as Ministry of Finance, Department of Revenue etc.?	The final decision making authority in some cases would include Department of Revenue.
9	General		How independent is the FIU - especially from interference from other governmental/ non governmental agencies ?	FIU-IND is largely independent in operational issues. However, on administrative matters, Department of Revenue is the nodal Department.
10	General		Is there been a collaboration model / MoU in place for information sharing with internal agencies (RBI, CBI etc) and external agencies (Interpol, FIU in other countries) ?	FIU-IND intends to have agreements/MOUs with foreign FIUs for sharing of information.
11	General		Currently, without the proposed system in place, how does FIU process the CTR. SAR reports submitted by the banking companies ? Is it a manual process ? Kindly give us the high level process ?	At present, the electronic CTRs are uploaded into CTR database to facilitate search. Key information fields from manual CTRs are also captured for systematic storage and retrieval. Processing of STRs is being done manually and databases are used to link reported individuals and add value to the reported transactions.
12	General		Is FIU already a member of the FATF countries ? If yes, what is tier that it is placed in ?	India is not a member of FATF. India is a member of Asia Pacific Group on Money Laundering (APG) which is a FATF styled regional body.
13	Scope of Work	Clause 4.3	We understand a detailed and more exhaustive SOW would be issued to the short-listed bidders. Any subsequent scope change would be addressed through a Project Change Request.	All short listed bidders after EOI stage would be informed about the final scope of work at RFP stage and they would be bidding accordingly. Any change in SOW at any stage would be communicated to all short listed bidders.
14	Scope of Work	Clause 4.3	What would be the nature of additional task requirements that may come up during the duration of the project? For example, process related tasks, technology related tasks etc.	Any task requirement which is integral or incidental to the work products, deliverables and expected outcomes would be part of the scope of work.
15	Scope of Work		As we understand the location for the assignment would be Delhi only. Kindly confirm.	The location of assignment would be Delhi only.
16	Scope of Work	Clause 5.1.4	Is it mandatory to make use of the USE CASE model? Can we make use of our proprietary methodology that would also ensure that the requirements in the scope of work are fully covered?	All work products and deliverables should be prepared using publicly available software such that FIU-IND can modify the work products and deliverables to meet changes in operating environment.
17	Scope of Work		Does the scope include the design of the organizational structure of FIU?	The Consultant would design roles and responsibilities in FIU-IND. Consultant is also expected to recommend changes in organisation structure if required.
18	Scope of Work		Is there an existing entity database which links the ultimate beneficial owner with the 'front' persons on the transactions ? What is the proposed level of hierarchy ?	FIU-IND proposes to build its own internal hot list and relationship matrix from various data sources

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19	Scope of Work		Does the project involve the data requirements like politically exposed, criminal background etc. for building a database or is the database / data already available ? If it exists are there additional attributes that we need to consider ?	The Consultant would design a process which would create and maintain an internal hot list from various lists of criminals, terrorists or suspected persons/entities as well as STRs being received.
20	Scope of Work		What would be the possible sources, and would building the interfaces for these data sources be within the scope of the project ?	The Consultant would identify the sources and design the interface.
21	Scope of Work		Are we looking at a entity/ client profiling engine which will process the data and derive additional attributes based on rules for country, transaction risk, entity categorization, politically exposed etc ?	Yes.
22	Scope of Work		Will the functioning of the proposed system be based on the FATF, Egmont guidelines on Money laundering / Terrorist funding or will it be based on the internal RBI KYC guidelines or a hybrid approach involving both ?	The proposed system would be based on the mandate given to FIU-IND in the Prevention of Money Laundering Act, Government of India's O.M. dated 18th November 2004 and other instructions. FATF recommendations are broad level recommendations for the criminal justice system, law enforcement, international co-operation, financial system and its regulation. Egmont specifies best practices for exchanging of information which would be an input to meet international standards.
23	Scope of Work		Is there going to be an implementation of 1) long term pattern recognition 2) Other statistical/mathematical techniques like neural networks etc. What would be the range of data (no. of days) that would need to be sifted through ?	The Consultant would suggest appropriate methodology, process and technology.
24	Scope of Work		Are there going to be interfaces in the proposed system which connects to external FBI, CIA other FIU or Interpol ? Are these going to be online connections or are they going to be file extracts ?	At present the system would have possibility of allowing access to national enforcement/intelligence agencies only. The Consultant would suggest appropriate access mechanism for exchange of information with other agencies.
25	Scope of Work		Is the consultant expected to define physical infrastructure plan (hardware / network etc.)?	Yes. Kindly refer to section of the EOI Document
26	Scope of Work		Is there a specific access / data security requirements - and how many levels of access is being envisaged ?	The Consultant is expected to recommend specific access/ data security requirements and access levels in consultation with FIU-IND.
27	Scope of Work		What would be proposed data volume to get an idea of the sizing and technology that can be used ?	The Consultant would estimate the data volume on the basis of CTR and STR data already received by FIU-IND.
28	Scope of Work		Does the scope require development of System Requirements Specifications or only functional requirements specifications for the various software modules?	The existing scope of work is given in clause 5.1.14. The Consultant may suggest the level of specification details in EoI Form 4 which will be considered before issue of RFP.

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29	Scope of Work		As part of the process design are procedural manuals/training manuals also required to be prepared.	The procedural manuals/training manuals will be prepared by the implementing vendor.
30	Scope of Work		Is the identification / evaluation of detection platforms, workflow system / Data warehouse within the scope of the Consultant function ? Will the functional requirements for each of the components be given to us or we have to do it to judge the functional fit for scoring different products ?	Identification / evaluation of detection platforms, workflow system / Data warehouse is within the scope of work. The Consultant will have to do the functional requirements to judge the functional fit for scoring different products ?
31	Scope of Work		Is there any preference or inclination in technology choice a) hardware platform b) proprietary vs open systems?	The Consultant shall evaluate technologies and products to analyse alternative opportunities measured against user requirements. The evaluation should be based on soundness of design, robustness of functionality, operability, integration, performance, scalability, acceptability, support and sustainability. The Consultant should preferably use proven technology as a matter of principle and new technology only where needed, justified by a business case.
32	Scope of Work	4.4	Whether the System Integrator short-listed for implementation would be allowed to incorporate the best breed technologies which may include products of the Selected Consultant	The Consultant who is selected for preparing the Consultancy Report will be barred from participating in the bidding process for its implementation. The Consultant and each of its subcontractors shall be disqualified from subsequently providing goods, works or services for such preparation or implementation. The Consultant should prepare a shortlist of recommended technology(s) and product(s) after a fair and transparent assessment and any technology or product will not be disqualified on the basis of its association with the Consultant.
33	Scope of Work		Is the RFP's to be floated - will it for Indian vendor products if any or International products ? Will the consultant's role be limited to provide an objective scoring methodology and recommendations without taking in to account the costs ?	The products short listed by the Consultant could be both international as well as Indian. The consultant's role be limited to provide an objective scoring methodology and recommendations.
34	Scope of Work	Clause 5.1.12	Please clarify the role expected to be played by the consultant in the vendor selection process.	Phase I will end with the submission of RFP. If the services of Consultant is required in the bid process management, a separate change order will be issued on the basis of man-month rate for which bids would be invited in the commercial bid.
35	Scope of Work	Clause 5.1.14	Is the consultant expected to do Bid Process Management (from release of RFP till the appointment of the vendor (s) also?	Same as above
36	Scope of Work		Does the phase 1 end with the submission of the RFP by the consultant or is the consultant expected to provide bid process management support also? And is the bidding process time included in the 6 months?	Same as above. Bidding process time is not included in both the phases.

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37	Scope of Work		What will be the scope of Phase-2 of the project? Will the ongoing of support and maintenance of the infrastructure and applications be included in Phase-2?	Scope in phase II would primarily be project management, giving assistance in validation of requirements and transfer of knowledge.
38	Timeline		After the submission of response(s) to the Expression of Interest by July 12, 2006 by when can the short-listing process be expected to be completed and the RFP process likely to begin?	The RFP is expected to be issued to the short listed Consultants in July 2006.
39	Timeline		What is the stated time line for the completion of the report and the implementation ?	The expected time for phase I is six months from the date of commencement and phase II will commence from the signing of contract with the selected System Integrator(s). At present, the expected time for phase II is six months from the date of commencement of phase II. The Consultant may suggest timeline in EoI Form 4 which will be considered before issue of RFP.
40	Timeline	Clause 7.1	The expected timelines of six months, mentioned for Phase I and Phase II is too short. Based on our past experience on Project Management assignments with Government Departments involving multiple types of procurement (hardware, network implementation, software implementation, FMS services, etc.), our learning has been that the RFP for a particular service is dependent on freezing the scope of other related services. Also, there is lot of interdependencies among the services being procured. E.g. unless the software products / solutions are identified the hardware (servers, storage, etc.) specifications and capacity requirements cannot be estimated. Also, a requirement modification in a particular service has a cascading effect on other service specifications which subsequently affects the procurement lifecycle and leads to timeline extension. Our learning has also been that bid process management till vendor selection is complicated & consumes considerable time. In case of FINet project, the preparation of RFP for 8 inter-related services (as mentioned in Page 33) will consume considerable calendar	The Consultant may suggest timeline in EoI Form 4 which will be considered before issue of RFP.
41	Timeline		In Phase 2- the timelines are dependant more on the implementation partner than on the consultant. As such, in case of a delay, extension beyond 6 months, due to the implementation vendor, there should be a provision of additional compensation to the consultant on man-month basis. Quotes could be asked for the same.	If services of Consultants are required beyond stipulated time for phase II, additional compensation on man-month basis would be given on the basis of quotes taken as part of commercial bid.

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42	Payment Schedule	Clause 7.2	Since there would be numerous sub activities especially in phase II of the engagement we would request that the broader payment milestones be further broken down against each of the sub activities executed during the engagement.	The Consultant may suggest alternative payment schedule in EoI Form 4 which will be considered before issue of RFP.
43	Selection Process	Clause 8.14	An authorization on companies letter head signed by Chief Financial Officer would be submitted certifying him/her as an authorized signatory for the purpose of this EOI.	Would be acceptable.
44	Selection Process	Clause 9	We request FIU to include the key resources to be deployed on the project as an evaluation criterion and hence require the respondents to discuss the team profiles in the response to the EoI.	Evaluation of key personnel would be done at the RFP stage.
45	Selection Process	Clause 9	Would there be a National security clearance criterion for all personnel working on the project – Indian Nationals as well as Foreign Nationals?	National security clearance may be required if felt necessary.
46	Selection Process	Clause 9	In Section 9 of the detailed document, the Evaluation criteria mentioned talks about working with the Government - is that a pre condition or similar international experience will be considered ?	Similar international experience will also be considered.
47	Selection Process	Clause 9.1	Since the consulting fees turnover is not reported separately, we request the department to kindly relax the requirement of minimum annual turnover of Rs. Two Hundred Million or its equivalent in foreign currency from consulting fees in each of the last three years.	Copy of the Audited Financial Statement has to be submitted. If the Consulting Fees turnover is not reported separately in the Financial Statements the breakup of the same can be submitted by a Chartered Accountant responsible for auditing the accounts.
48	Selection Process	Clause 9.1	To ensure deployment of suitable and committed resources, a strong Resource Deployment process which ensures the availability check is performed before committing to client. The process ensures resource availability of committed CVs at the time of RFP irrespective of resource country. With this process in place, we do not sign MOU's between different subsidiary entities globally for resource deployment specifically for a given requirement.	If the experience and resources from parent company or other subsidiary entities is being committed, then the process of resource deployment may be submitted along with a letter from authorised signatory of the Indian entity declaring that resources and experience will be committed for this project.
49	Selection Process	Clause 10.2	As we are submitting details of Indian entity & therefore the Year of registration would be same for 1.2 and 1.3.	Agreed.

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50	Selection Process	Clause 10.3	Most of the consulting projects require signing Non-Disclosure Agreements with the clients prior to start of projects which are also one of the requirements in some of the Govt of India projects. In view of this, we request the department to evaluate the bids based on self declarations only. For other global clients, procuring such testimonials involves long process & therefore requests the department to withdraw this requirement during EOI stage.	In such cases, copy of purchase order/Letter of Intent after blanking commercial and other confidential information has to be submitted.