

Minutes of the Pre-bid Meeting held on 13 May 2018 regarding the RFP

REQUEST FOR PROPOSALS

Hiring Firm for IMPLEMENTING TRANSACTION PLATFORM ENABLING DIGITAL PAYMENT ACROSS MICRO-MERCHANT

VALUE CHAIN for UNCDF (Reference: RFP-BD-2018-007)



Members attended the meeting:

| Name | Designation |
|-------------------------|--|
| Mr. Ehsanul K Chowdhury | Procurement Associate, UNDP Bangladesh |
| Mr. Ziaul H Mukta | UNCDF |
| Ms. Shiuli Roy | UNCDF |
| Mr. Galib Azim | UNCDF |
| Mr. Muaz Jalil | UNCDF |
| Bidders | As per attached Attendance sheet. |

With reference to the subject RFP issued on 13-May-2018, please find below the queries raised by Invitees and answers thereto from UNDP Bangladesh:

| Sl. | Queries | Response |
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| 1. | Technical Evaluation Criteria, Technical Proposal Evaluation Form 1, Subsection 1.1, Pg 20 a. What kind of experience would be included as doing business in Bangladesh Financial sector, Serving FMCG Sector and value Chain)? b. Is the experience limited to implementation or Strategy consulting experience will also be considered? | The proposer (or the lead member of the consortia, if applicable) must have experience of implementing business model in the financial or financial technology sector serving FMCG sector and their value chain. |
| 2. | Technical Evaluation Criteria, Technical Proposal Evaluation Form 1, Subsection 1.3, Pg20 The experience of team lead "Experience of Region and working with Small business", does it consider experience of working in any of the south Asian countries including Sri Lanka, India and Bangladesh? | Yes. |
| 3. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion Pg25 For selection of Service provider, in case need arise to prepare a RFP(s) for each segment of service providers (including financial service and FMCG), then will this be in the scope of this assignment? | Yes, but we expect majority of service provider to be already on board and platform as outlined in Section B (page 25) "the business model in its entirety cannot be a proof of concept i.e. the assignment is seeking only innovative business models which have successfully been piloted or are ready to be rolled out." |

| Sl. | Queries | Response |
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| 4. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services, Pg 25 In the statement, "Augment or update DFS/MFS based merchant aggregator e-platform service for launching." does the scope include the design or development of merchant aggregator e platform? If scope does not include development then please share the detail of existing platform(s). | No scope for design and development. Please refer to Section B page 25 "the business model in its entirety cannot be a proof of concept i.e. the assignment is seeking only innovative business models which have successfully been piloted and are ready to be rolled out." Platform specifications and types we are agnostic to. Any proposed platform should address the type of transactional engagement outlined in the RFP. |
| 5. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services Pg 25 The bidder may propose to use any existing successful platform in the south Asian region. In this case the copy right of such platform shall remain with platform provider only? | Yes. However refer to Section C (page 26) , the proposer must "Support UNCDF in developing knowledge product (e.g. case studies) for public consumption." Also sharing of anonymized data with UNCDF is encouraged for jointly undertaking big data analysis to provide further customer insights. |
| 6. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services, Pg 26 In the statement, "At least 60% of the micro-merchants are active user of merchant platform by end of the programme", what is the definition of active user of merchants? | Minimum one usage transaction per 30 days. |
| 7. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services, Pg 26 In this statement, "; at least 1500 micro-merchants are on boarded in phases)" kindly share the definition of merchant onboarding. Is this limited to enrolment to the aggregator platform or does it include enrolment and executing minimum number of transactions? | 1,500 refers to only enrolment and opening of platform account. |
| 8. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services, Pg26 In the statement, "Providing technical support to merchants and micro — merchants" Does the scope include the call based support (in local language) for working hours of merchants (9 AM to 8 PM) | Yes, if it is an integral part of the business model and addresses its sustainability |
| 9. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services Pg 26 In full roll out to merchants, will the local district administration support will be provided to conduct the local awareness workshops & Rallies with local merchant associations. This has been proven to be effective in spreading awareness to masses. | Yes, if it is an integral part of the business model and addresses its sustainability. UNCDF will try and facilitate this, but is not primarily responsible for this. |
| 10. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services Pg 26 In case of full roll out to merchant, in case there is need felt for mass advertisements, then will the scope of such awareness campaigns be in part of scope of this project? | Yes, if it is an integral part of the business model and addresses its sustainability |
| 11. | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services Pg 26 It has been observed that merchant Referral and per transactions incentive schemes (of limited duration) are helpful in expediting the onboarding the unbanked merchants, will design and implementation of such scheme be part of scope of this project? | Yes, if it is an integral part of the business model and addresses its sustainability. However, UNCDF will not subsidise any transaction nor will it provide any fund for the incentive schemes. |

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| 12 | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services Pg 26 Is it mandatory the merchants as part of roll out should only be in the rural regions only? Can merchants in urban regions in any of the selected two or four districts, can be on boarded as part of roll out? | Not necessary, merchants can be from a mix of rural and urban area. However predominant focus on urban area is discouraged. |
| 13 | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services. Pg 27 Can RFP provide the information: a. Total number of merchants in each of the four districts b. How many of such merchants are banked c. How many merchants (percentage of merchants) have been already using any digital banking platform d. Any present technology adoption indicators of merchants in the targeted districts | UNCDF does not have data on the four districts in terms of total numbers. UNCDF recently undertook a national level survey of FMCG micro-merchants based on limited sample size, under which the selected four project districts were also covered. This data is still being analysed. The draft analysed data available at present can be shared. |
| 14 | Section 5 (Point C), - C. Scope of Services, Expected Outputs and Target Completion, Onboarding, Communication and Transaction services. Pg 25 In the statement, “Augment or update DFS/MFS based merchant aggregator e-platform service for launching.” Please clarify whether it is preferred to propose any solution which has been successful in similar geographies in South Asian region or will be preferred to propose proven solution only in Bangladesh (in similar merchant segment)? | It is preferred to propose proven solution only in Bangladesh. |
| 15 | For setting up a successful Payments platform there are several choices to be made around say the payment instrument, mode of authentication (PIN, biometric), acceptance device (NFC, QR card etc.), open-loop vs closed loop, online vs offline etc. Many of these choices are dependent upon several factors such as a. level of infrastructure available (telecom reach, electricity) b. Regulatory environment (local licensing reqt.) c. customer awareness/comfort with the use of technology and security etc. Hence a payments solution/platform, for it to be successfully adopted, will need to be customized to suit the local environment. We suggest the engagement be divided in to two parts. The first part can focus on designing the payments platform where many of the above choices can be made after studying the local markets. Based on this phase, a detailed design of the payments platform be developed and accordingly it can be set up. Kindly provide feedback. | Thank you for your suggestion but as outlined in Section B page 25 “the business model in its entirety cannot be a proof of concept i.e. the assignment is seeking only innovative business models which have successfully been piloted and are ready to be rolled out” |
| 16 | The Commercials currently asks only for fees, travel costs, daily subsistence etc. However, there will be significant costs towards setting up the technology platform and conducting the business including hardware servers, database, software licenses, application customization, on-field support team, office space, payment devices etc. How are these costs and expenses expected to be met? Should these costs be included in the Commercials or is it expected to be recovered from the users of the platform (i.e. Merchants, Customers and 3rd parties)? If it is to be recovered, then 15 months will be too short a period to recover all the capital and operating expenditure. Some clarity be please be provided? | Section B page 25 “the business model in its entirety cannot be a proof of concept i.e. the assignment is seeking only innovative business models which have successfully been piloted and are ready to be rolled out”. We envisaged that the proposer to already have an established platform and presence in the market. The present RFP focuses on scaling up successful pilot or expansion of existing model. We expect it to be a sustainable model and hence not requiring continuous support from donor. |
| 17 | We will need more information about the target districts, the merchants and customer segments to design the solution and size the investment required. Need information | Please refer to answer number 13. |

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| | about the total merchant base, segmented by type of business, annual turnover, average transaction ticket size, current extent of digital payment penetration, level of smartphone adoption in the district, population demographics, use of internet, current use of mobile wallets etc. | |
| 18 | Previous Relevant Experience (page 37). The clause currently says that only those assignments where the Bidder was legally contracted or sub-contracted by the Client can be listed. We wanted to confirm if the bidder/consortium can include instances where the platform has been commercially deployed by one of the consortium partners as a financial services provider i.e. there may be no Client engagement involved. | Yes they can apply. |
| 19 | Extension of timelines: There is a lot of coordination/discussions, agreements and approvals required to prepare a response to this RFP. Can we please get an extension of at least 2 more weeks? | Not possible. |

Note: Above Clarifications in response to queries raised during the pre-bid meeting and amendments shall be an integral part of the RFP document and supersede the all provisions as applicable.