



National Bank of Pakistan

نیشنل بینک آف پاکستان

NBP/LSG/P&PD/2019/1821

February 22, 2019

Honourable. Mr. Justice (Retired) Zia Perwez
Trustee - Transparency International Pakistan,
4-C Mezzanine Floor, Khayaban-e-Ittehad,
Phase VII, Defence Housing Authority,
Karachi

Honourable Sir,

Complaint against National Bank of Pakistan
Tender ID No: P&PD/DCS&AMS/05/2018

We refer to your letter dated: 30-01-2019 under reference TL19/3001/6A and humbly submit our response as hereunder:-

- 1- That the complaint preferred by M/s. Rayyanco Business Systems vide its letter #: RBS/L06/TENDER P&PD/ DC/2018 dated: 07-12-2018 is devoid of any merits as it is explicated specifically in Section IV. A of the Technical Specification of the RFP (page 20) (**Annex-A**) that the Sorting and Authentication Machine Systems should be capable and calibrated to authenticate bank notes on all operational modes i.e. ability to detect mismatch, be able to count and sort, authenticate, fitness sorting, as well as orientation sorting.
- 2- That additionally, M/s. Rayyanco affirmed in Form T4 Technical Compliance of the RFP (page 32) (**Annex-B**) that their machine was capable of authenticating bank notes as mentioned in Section IV A of the RFP on all operational modes which tantamount to misrepresentation and as such the Complainant has not come with clean hands to your forum but with concocted and twisted facts.
- 3- That technical testing of the machine Hitachi - ST 350 supplied for testing by M/s. Rayyanco was undertaken on the 10th, 11th and 12th of October, 2018 at NBP Main Branch, Karachi.
- 4- That the aforementioned machine on Test Day No. 1 (October 10, 2018) failed to perform as per the Technical Criteria laid out on Page No. 32 item No. 6 (Operating Mode) 7(Machine Capabilities to capture the security features of Bank Notes), 8 (Fitness Standards) & 9 (Authentication) Machine software should be calibrated to authenticate bank notes on all operational modes.
- 5- M/s. Rayyanco and their Technical Team was afforded repeated opportunities on multiple occasions for software up-gradation on Test Day No. 3 (October 12, 2018) , but the machine repeatedly failed to perform as per the stipulated criteria. Their team was also allowed extra time to adjust and tweak the specifications of the Machine but could not produce the desired results.
- 6- That M/s. Rayyanco have categorically stated in its complaint that their machine was incapable of detecting mismatch and desecrated face features in the Currency Notes. The said statement tantamount to "admission" and therefore as per M/s. Rayyanco's own accord it was conclusively concluded at the time of testing that the aforesaid machine did not meet the requirements of the RFP. This point is also reflective of the fact that there was no prejudice on the part of the Bank and its officers.



- 7- That the complaint preferred by M/s. Rayyanco was put before to forth before the grievance redressal committee which upon careful and detailed deliberation unanimously concluded that the Hitachi- ST 350 machine supplied by M/s. Rayyanco did not conform to the specifications of the RFP. Hence the machine was found non-compliant. The intimation of such rejection was sent to the complainant (Annex-C1 & C2).
- 8- Honourable Sir, we firmly believe that application of Rule of Law is the only way to stop corruption and as such it is quite surprising for us to note that despite availability of proper legal forum i.e. Public Procurement and Regulatory Authority (PPRA)-Islamabad, M/s. Rayyanco has preferred to use your good office for the instant complainant. However, we are confident that in the light of our response you will accordingly guide the complainant in the right direction.

Thanking you.

Yours Truly,

Irfan Jan Muhammad
Assistant Vice President
Logistic Support Group

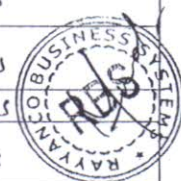
Saad Salman Dar
SVP/Divisional Head (P&PD)
Logistic Support Group

Encl: As above.

Section IV. A. Technical Specification

“Supply, Installation and Maintenance of Desktop Currency Sorting & Authentication Machine System (DCS&AMS)” Type-II

Desktop Currency Sorting & Authentication Machine System (Type-II)			
S No.	Subject	Specification	Detail Description
1	Machine Name	Desktop Currency Sorting Machine	
2	Brand & Model	HITACHI S-350	
3	Country Origin	Korea	
4	Machine Assembled in	Korea	
5	Currency to be Processed	Pakistani banknotes circulation in Width 65-73mm Length 115-175 mm Plus: Foreign Currencies (minimum 6 Nations, 6+ will be more preferable)	Upto 10 Currencies.
6	Operating Modes	Counting, Authentication and Fitness Sorting	Yes
7	Machine Capabilities to Capture the Security Features of Bank Notes	<ul style="list-style-type: none"> ➤ Counting ➤ Authentication <ul style="list-style-type: none"> ○ UV ○ IR ○ Magnetic ○ Thickness Detection ➤ Fitness sorting <ul style="list-style-type: none"> ○ Fit for Re-Issue ○ Soiled ○ Rejected ➤ Orientation sorting- Face Orientation Required ➤ Ability to detect mismatch notes (i.e. cross check serial numbers on both sides of the banknote. Ability to detect paper & plastic tape on banknote	Yes
8	Fitness Standards	In accordance with SBP FD Circular No.1/2014. (Annexure - I)	Yes
9	Authentication	Machine software should be calibrated to authenticate banknotes on all operational modes	Yes
10	Hopper Capacity	At least 1,000 banknotes	Yes
11	Nominal Speed	At least 30,000 fresh banknotes/hour (stated capacity). However, for re-issuable banknotes, this should be at least 70% of the machine's stated capacity (in banknotes/hour) and at least 50% of the machine's stated capacity (in banknotes/hour) for soiled banknotes.	Yes
12	Pockets / Stackers	At least Three + One (3+1) Horizontally Adjacent	Yes
13	Digital Counting Display (DCD)	DCD on Pocket / Stackers	Yes
14	Stacker Capacity	At least 200 banknotes per stacker	Yes
15	Reject Stacker Capacity	At least 100 banknotes	Yes
16	Display	Multiple LCDs display with	Yes



(Handwritten signatures and initials)



		descriptive guidance	Can be attached VGA Port.
17	Reports	Machine should be capable to generate detail report(s) of banknotes processed in predefined formats. These reports may be either printed or extracted onto the PC in predefined formats compatible to Microsoft Windows.	Yes
18	Printer	Option Available and Functional to Plug & Play with Printer	Yes
19	Machine Orientation	Desktop Type	Yes
20	Error Alarm / Buzzles	If machine operationally stop	Yes
21	Machine Input Operations	At least user Friendly	Yes
22	Connectivity	LAN Connectivity (Functional)	Yes
23	Capturing Features	Currency Numbers Capturing Features	Yes
24	Upgradable Software	Possibility of Software upgrade as per NBP requirement	Yes
25	Upgradable Software Capacity	In House	Yes
26	Duty Time	Identify Machine duty Time (Maximum will be more preferable)	Yes
27	Machine Useful Life	Identified Machine Useful Life (Expected)	Yes.

Note: Pocket means=Stacker / Bin



Seal & Signature of Bidders : _____



