Terms of Reference

Supply, Implementation, Configuration, Commissioning, Training and Maintenance of a Payment Switch

REF.No.(SMIB/TD2025/09/07)

1. Background

The State Mortgage and Investment Bank (SMIB) is committed to enhancing its digital financial services by adopting secure and efficient payment technologies. In line with national payment infrastructure developments and the regulatory framework introduced by the Central Bank of Sri Lanka (CBSL), SMIB intends to implement a Payment Switch solution to strengthen its electronic payment ecosystem.

The Payment Switch will serve as a centralized platform for processing and routing transactions across multiple channels, including ATM, POS, Internet Banking, Mobile Banking, and interbank payment networks such as LankaPay CEFT. Implementing this solution will enable SMIB to facilitate faster, more secure, and cost-effective electronic transactions while ensuring compliance with regulatory and industry standards.

The proposed procurement therefore seeks a qualified consultant for the Supply, Implementation, Configuration, Commissioning, Training, and Maintenance of a Payment Switch. The solution must be designed with high availability, scalability, and adequate redundancy to support the Bank's growing digital transaction volumes and to minimize operational and security risks.

2. Project Scope – Payment Switch Implementation

The project scope covers the design, implementation, integration, and phased rollout of a Payment Switch platform at SMIB, ensuring secure, efficient, and compliant electronic transactions in alignment with national payment infrastructure (LankaPay). The implementation is divided into three phases:

2.1 Phase 1 – Core Platform and Initial CEFTS Integration

- Deployment of the **Payment Switch Base Platform**.
- Integration with **CEFTS Scenario 01 (EFT Credit Transaction)**.
- Enablement of **CEFTS Scenario 03 (EFT Debit Transaction – JustPay® Issuing)**.
- Establishing core capabilities for switch operations, compliance, and monitoring.

2.2 Phase 2 – Enhanced CEFTS and QR-based Transactions

- Integration of **CEFTS Scenario 02 (EFT Debit Transaction)** with **Direct Debit Authorization (DDA)**.
- Enablement of **LANKAQR-based Transactions from an Issuer context**.
- Enablement of **LANKAQR-based Transactions from a Merchant Acquirer context**.
- Deployment of a **QR code–based Merchant Management System (MMS)**.

2.3 Phase 3 – Advanced CEFTS and Expanded QR Capabilities

- Enablement of **CEFTS Scenario 03 (EFT Debit Transaction – JustPay® Acquiring)**.
- Enablement of **LANKAQR-based Transactions from a Transaction Acquirer context**.
- Planned future integrations with:
    - **LankaPay Payment Exchange Name (PEN)**
    - **LankaPay Online Payment Platform (LPOPP)**

2.4 Support and Maintenance

The selected consultant shall provide **comprehensive support and maintenance services** for the Payment Switch throughout the contract period to ensure operational continuity, compliance, and scalability.

2.4.1   Scope of Support & Maintenance

- **24x7 monitoring and incident resolution** for Payment Switch operations.
- Deployment of **security patches, version upgrades, and updates**.
- **Performance tuning, capacity planning, and redundancy testing** to ensure resilience.
- Operation of a **dedicated helpdesk and escalation mechanism** for issue resolution.
- Periodic **system health checks, system and security audits, and compliance reviews**.
- Ongoing **training, documentation updates, and knowledge transfer** to SMIB staff.
- Timely remediate security findings and recommendations from audits.

2.5 Responsibility Split

Consultant Responsibilities

- Supply, installation, configuration, and commissioning of the Payment Switch solution.
- Full **technical support and maintenance** of the switch, middleware, and integration layers.
- **Incident management and resolution**, including root-cause analysis and corrective actions.
- Coordination with **LankaClear/LankaPay and third-party vendors** for certification, compliance, and interoperability.
- Ensuring the solution remains compliant with **CBSL regulations and LankaPay operational guidelines**.
- Provide **quarterly performance and compliance reports**.

SMIB Responsibilities

- Provide necessary **infrastructure (datacenter space, power, and network connectivity)** for deployment.
- Assign **internal IT and operations staff** for coordination, training, and support.
- Ensure timely **decision-making and approvals** to support project milestones.
- Facilitate **user acceptance testing (UAT)** and provide business sign-off for go-live.

2 Technical Specifications

Consultants are required to state their compliance to FUNCTIONAL/TECHNICAL FEATURES and CBSL Technology Risk Management and Resilience SLA Requirements (**Tech-9 and Tech-10**) against each and every criterion of the specification sheets. Incomplete specification sheets shall be considered non-compliance.

3 Project Locations

The selected bidder should supply Payment Switch solution related software at:

i. Primary site: SMIB, No. 269, Galle Road, Colombo 03, Sri Lanka.
ii. Disaster Recovery Site: No. 49, Yakkala Road, Gampaha, Sri Lanka.
iii. All the SMIB Branchers

SMIB reserves the right to modify the project location as deemed necessary to meet operational requirements.

4 Project Timelines

The selected bidder shall submit a comprehensive implementation schedule for the Payment Switch integration, covering the full scope of the project. This schedule shall be reviewed and discussed with SMIB officials to reach a mutually agreed timeline, which must fall within a maximum duration of 22 weeks from the date of issuance of the Purchase Order (P.O.). The bidder shall be contractually bound to adhere to the agreed timelines across all three proposed phases of the project.

Phase	Key Activities	Planned Go-Live
Phase 1 – Core Platform & Initial CEFTS	• Deployment of Payment Switch Base Platform • CEFTS Scenario 01 (EFT Credit Transaction) • CEFTS Scenario 03 (EFT Debit – JustPay® Issuing) • Establish compliance, monitoring & core switch operations	After 10 weeks from issuance of the Purchase Order (P.O.)
Phase 2 – Enhanced	• ANKAQR Transactions – Issuer Context	After 8 weeks from Phase 1 Completion

CEFTS & QR-based Transactions	• LANKAQR Transactions – Merchant Acquirer Context • QR Code-based Merchant Management System (MMS)	
Phase 3 – Advanced CEFTS & Expanded QR Capabilities	• CEFTS Scenario 02 (EFT Debit with DDA) • CEFTS Scenario 03 (JustPay® Acquiring) • LANKAQR Transactions – Transaction Acquirer Context Future LankaPay Integrations (PEN & LPOPP readiness)	After 4 weeks from Phase 2 Completion
Support & Maintenance	• 24x7 monitoring, & incident management • Patches, upgrades & compliance updates • Performance tuning & redundancy testing • Training, knowledge transfer & helpdesk support	Parallel with Phase 1 onwards

5 Payment Terms and Milestones

The payment will be released on completion of the respective phase. SMIB will release the payment within 6 – 8 weeks of receiving the undisputed invoice, after deduction of applicable taxes at source.

Phase 1: Core Platform & Initial CEFTS (100% of Phase 1 Price)

Milestone	Payment %
Issuance of Purchase Order	25%
Software Requirement Specification (SRS) Sign-off	25%
User Acceptance Testing (UAT) Sign-off	25%
Successful UAT, Go-Live & Acceptance (30 days after Go-Live)	25%

Phase 2: Enhanced CEFTS & QR (100% of Phase 2 Price)

Milestone	Payment %
Issuance of Purchase Order	25%
Software Requirement Specification (SRS) Sign-off	25%
User Acceptance Testing (UAT) Sign-off	25%
Successful UAT, Go-Live & Acceptance (30 days after Go-Live)	25%

Phase 3: Advanced CEFTS & QR Expansion (100% of Phase 3 Price)

Milestone	Payment %

Issuance of Purchase Order	25%
Software Requirement Specification (SRS) Sign-off	25%
User Acceptance Testing (UAT) Sign-off	25%
Successful UAT, Go-Live & Acceptance (30 days after Go-Live)	25%

Support & Maintenance (100% of Annual Maintenance Price)

Milestone	Payment %
Quarterly SLA compliance & service reporting	25% per quarter (At the end of each quarter)

6 Service Levels

6.1 Service Level Agreement (SLA)

The selected Consultant shall provide comprehensive Support and Maintenance for the Payment Switch solution during the contract period (3 years from the date of phase 1 completion). The SLA ensures continuous availability, timely support, and compliance with regulatory and operational requirements.

6.2 Service Availability

- The Payment Switch solution must achieve an uptime of 99.95% on a 24x7x365 basis, excluding planned maintenance.
- Planned maintenance must be communicated to SMIB at least 7 days in advance, with a mutually agreed maintenance window.

6.3 Incident Management & Response

Severity Level	Description	Response Time	Resolution/Workaround Time
Critical (P1)	Complete service outage or major failure impacting all transactions	15 minutes	Within 2 hours
High (P2)	Partial service degradation, affecting multiple users/transactions	30 minutes	Within 4 hours
Medium (P3)	Minor issue with limited impact, workaround available	2 hours	Within 1 business day
Low (P4)	Non-critical issue, cosmetic or documentation-related	1 business day	Within 3–5 business days

6.4 Support Services

- **Helpdesk Support:** 24x7 hotline, email, and ticketing system.
  On-site Support: Available for critical issues that cannot be resolved remotely.
- **Monitoring & Alerts:** Continuous monitoring of switch performance, connectivity, and transaction success rates.
- **Patch & Upgrade Management:** Regular deployment of security patches, version upgrades, and configuration updates, aligned with SMIB surety policies guidelines.

6.5 Reporting & Reviews

- **Monthly Reports:** Covering uptime statistics, incidents, root cause analyses, and resolution details.
- **Quarterly Service Reviews:** Joint sessions with SMIB to evaluate SLA compliance, performance metrics, and improvement areas.

6.6 Penalties & Deductions

- Service availability below 99.95%: Penalty of 1% of quarterly support fee for every 0.1% drop, capped at 10% per quarter.
- Non-compliance with response/resolution times:
    - First occurrence: Warning notice.
    - Repeated non-compliance: 2% deduction per incident** from quarterly support fee.
    - Persistent failure to meet SLA commitments may result in termination of contract and invocation of performance guarantees.

7   Terms and Conditions

SMIB invites the Consultant's attention to the following terms and conditions which underline this RFP and which provide a clear statement of understanding between the parties.

7.1 Compliance with RFP Terms

- SMIB expects the Consultant to fully adhere to the terms and conditions of this RFP.
- No deviations shall be accepted unless the Consultant has **genuine issues** and explicitly states the nature of such non-compliance in the prescribed format provided with this RFP.

7.2 Right of Rejection of Deviations

- SMIB reserves the right to evaluate any deviations submitted and is under no obligation to accept them.
- Non-compliance may result in the rejection of the proposal at SMIB's discretion.

7.3 Single Point Responsibility

- The Consultant appointed under this RFP shall act as the **single point of responsibility** for the project.
- This includes fulfilling all obligations and providing end-to-end services for the **supply, implementation, configuration, commissioning, training, and maintenance** of the Payment Switch solution.

7.4 Modifications to RFP

- Any changes or clarifications to the issued RFP shall only be valid if agreed to in writing by SMIB.
- The Consultant's proposal or additional terms shall not automatically override or alter the provisions of this RFP.

7.5 Governing Document

Unless expressly superseded by the final agreement to be signed between SMIB and the selected Consultant, the provisions of this RFP shall remain the **governing document** for the contractual arrangement.

8 Qualification criteria

Key Consultant	Qualifications	Experience
Project Manager	B.Sc. in IT/Computer Science/Engineering or related field and Relevant Industry Certifications (e.g., PMP/Prince2)	Minimum 3 years of experience as a Project Manager, including at least 2 projects in Payment Switch/Banking Technology implementations
Technical Lead	B.Sc. in IT/Computer Science/Engineering and Relevant Industry Certifications	Minimum 3 years of experience in Payment Switch, CBS integration, or interbank fund transfer projects
Solutions Architect	B.Sc. in IT/Computer Science/Engineering or related field and Relevant Industry Certifications	Minimum 3 years of experience in designing enterprise payment or transaction processing solutions
Functional Consultant	B.Sc. in IT/Computer Science/Business Administration or related field and Relevant Industry Certifications	Minimum 3 years of experience in Payment Systems, CEFTS, LANKAQR, or Core Banking integrations
Business Analyst	B.Sc. in IT/Business/Finance or related field and Relevant Certifications	Minimum 3 years of experience in Banking/Payment System requirement gathering, documentation, and UAT coordination
QA Lead	B.Sc. in IT/Computer Science/Engineering or related field and Relevant Testing Certifications	Minimum 3 years of experience in QA/testing of payment systems, including UAT.
Support Lead	B.Sc. in IT/Computer Science/Engineering or related field and Relevant Certifications in System/Database Administration	Minimum 3 years of experience in support, monitoring, and maintenance of financial transaction systems