



APPROACH PAPER

Preparation of Model Requests for Proposals (RFPs), Toolkit and Guidance Notes for preparation of RFPs for E-Governance Projects

**Department of Information Technology (DIT),
Government of India**

1st September, 2011

Note to all Stakeholders and Citizens

Consultation on “RFP STANDARDIZATION”

- **“Preparation of Model Requests for Proposals (RFPs), Toolkit and Guidance Notes for preparation of RFPs for E–Governance Projects”.**

Department of Information Technology (DIT), Government of India has taken up the initiative to formulate model RFPs along with guidelines and framework for preparing them to be used by Line Departments and State Governments to procure goods, consultancy services, works and managed services for e-Governance projects.

This RFP Standardization work has been awarded after a bid process to M/s. Accenture and they have submitted an Approach Paper inter alia presenting an overview of each of the issues involved in the standardization exercise, inferences from relevant domestic and international practices, alternative courses of action for standardization, methodology suggested and the decision points.

Approach paper is available on the DIT’s website at the following URL:
www.mit.gov.in/whatsnew

DIT invites feedback and comments on the proposed Approach paper for RFP Standardization. We request you to go through this Approach Paper and provide your inputs/comments by sending email at any of the ID given below:

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1 Introduction

1.1 Project Background

The National e-Governance Plan (NeGP), a major initiative of the Government of India (GOI) seeks to bring the Government closer to citizens by making government services accessible to the common man. The National e-Governance Plan involves 27 Mission mode projects (MMPs). Each MMP involves substantial ICT infrastructure and applications development.

Three core infrastructure MMPs namely, Common Service Centers (CSC), State Data Centers (SDC) and State Wide Area Network (SWAN) along with the few major projects such as State Portal, State Service Delivery Gateway (SSDG) and e-Forms form the basic building blocks of NeGP. While procurement is done individually for each MMP separately at present, these building blocks could also be bundled together by the Department of Information Technology (DIT) and offered in the form of infrastructure and/or associated services to Line Departments and State Governments, for enabling rapid deployment and rollout of other MMPs and e-Governance projects.

The existent practice has been that the Line Departments and the State Governments carry out their own procurement by floating custom-made Requests for Proposals (RFPs). Often these RFPs are prepared in consultation with multiple technical advisers and consultants, resulting in varied approach, different terms and conditions. Above all each department attempts to create a fresh RFP though there is significant scope to leverage work done earlier, elsewhere.

However, it has been observed that there is a significant amount of time taken from conceptualization of e-Gov project to final selection of the bidder. Further there are a significant number of issues that are encountered during project implementation and O&M phase of the. The recent NASSCOM report on ***e-Governance & IT Services Procurement Issues, Challenges and Recommendation***, has also identified issues between the Government and the industry project (please refer **Annexure I** for key issues identified in this report). Some of these can be resolved through reviewing and making appropriate changes in the current procurement process.

DIT has taken up the initiative to address these issues and plans to formulate guidelines and framework for preparing RFPs to be used by Line Departments and State Governments to procure goods, consultancy services, works and managed services for e-Governance projects. DIT aims to drive this transformation to positively support the procurement & RFP tendering objectives of the Centre, Line Departments and State Governments, thus enabling rapid deployment and rollout of MMPs and e-Governance projects.

DIT has engaged **Accenture Services Private Limited (ASPL)** vide contract signed on 22nd July 2011 to assist in the “Preparation of Model Requests for Proposals (RFPs), Toolkit and Guidance Notes for preparation of RFPs for e-Governance Projects”.

1.2 Scope of Work

DIT seeks to make available standardized RFP templates, covering the various types of procurements for e-Governance projects including NeGP, along with toolkit and guidance notes, to act as both reference and guidance documents to the Line Departments and State Governments in procurements relating to e-Governance Projects and to bring about uniformity in approach in respect of common issues and minimize contractual disputes.

The procurements involving goods, services or works could inter alia be in the outright purchase (OP), turnkey, or in the Public Private Partnership (PPP) (e.g. BOOT, BOO, Annuity, LROT or managed services) modes; and the basis for selection of Vendors could be Least Cost (LCS), Consultant’s Qualification (SBCQ), Quality (QBS), Quality-cum-Cost (QCBS) or in terms of a Fixed Budget (SFB), The payments under the contracts could be on lump-sum basis, milestone-based or linked to actual man-months of deployment of personnel. There could also be procurement from a Single Source (SSS) under certain circumstances.

The standardization exercise will also aim at:

- a) Promoting a common approach to key and common issues in e-Governance RFPs including risk allocation and consistency across e-Governance Projects
- b) Enshrining both domestic and international best practice in the development of RFPs
- c) Reducing the time and costs of developing such contracts in new and ongoing e-Governance projects.

The Scope of Work for the Consultants include the following:

- To identify core Government of India (GOI) policy objectives, assumptions and governing regulatory framework for procurement of e-Governance projects in India inter alia including the applicable General Financial Rules (GFR) provisions and Central Vigilance Commission (CVC) guidelines.
- To benchmark with domestic and international best IT procurement practices including the procurement guidelines issued by the World Bank, DFID, ADB and other Multilateral Agencies. The experience gained so far from the Mission Mode Projects under NeGP, and the industry perspective, if any, on the best suited practices for e-Governance projects, shall also be taken into account for the purposes of the benchmarking.
- To establish a list of common and consistent principles of risk allocation and risk transfer in e-Governance projects executed in PPP mode.

- To identify and address issues of particular relevance to e-Governance projects including technological intensiveness, technological obsolescence, intellectual property rights, strategic control, interoperability, change management and exit management.
- To give special consideration to the contractual requirements which the financiers are likely to require for investment in e-Governance projects executed in the PPP mode.
- To develop recommendations on standardization process issues.

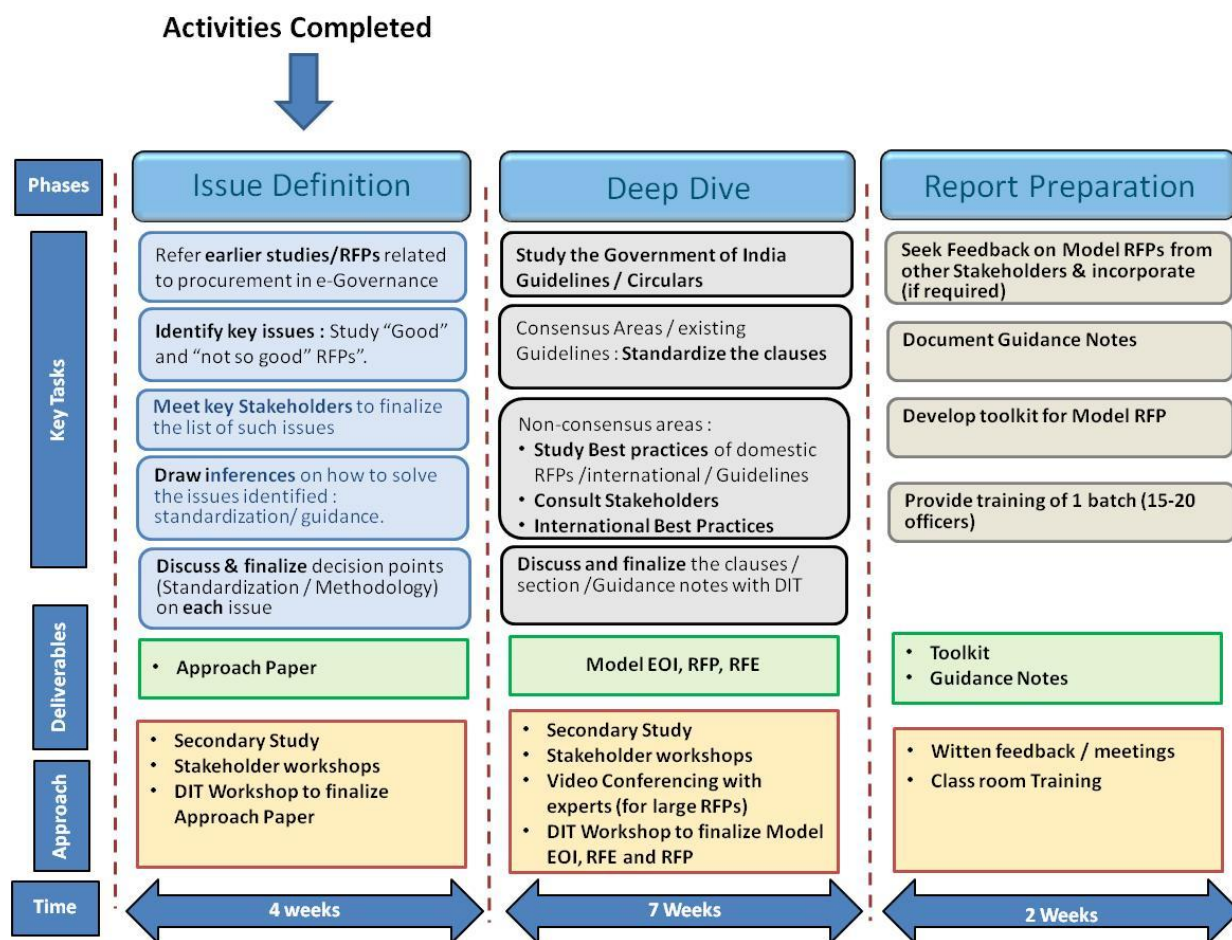
The Deliverables shall consist of the following:

- An **Approach Paper (the current deliverable)** inter alia presenting an overview of each of the issues involved in the standardization exercise, inferences from relevant domestic and international practices, alternative courses of action for standardization, methodology suggested and the decision points thereto.
- One or more **Model RFPs/documents** covering various modes of award, selection and/or payment, including standard contract provisions and accompanying explanatory footnotes; where standard contract provisions are not appropriate due to nature of risk and need for flexibility in drafting, drafting guidelines could be provided instead. Each Model RFP shall be accompanied by a template Expression of Interest (EOI), Request for Information (RFI) and/or Request for Qualification (RFQ), as applicable.
- **Toolkit and Guidance Notes** to enable the procurement Department/Agency to select the appropriate model/mode of procurement suiting the risk profile of any particular e- Governance project.
- The Consultant will also be required to **provide Training Session for 15–20 officials for 5-7 days**. The training sessions will be provided to appraise the various Government Departments/Agencies who will be using the Model RFPs for actual preparation of RFPs for e-Governance projects. The guidelines provided in the trainings will be used by the Departments/Agencies to identify which template is to be used by which type of projects and how the templates can be customized as per the actual project requirements.

2 Approach & Methodology for Standardization: Activities Completed till Now

Based on the Proposal submitted, the presentation made and the subsequent agreement on the Approach and Methodology, it was agreed during the kick off meeting on 25th July 2011, that Consultant will follow the following approach and methodology for this project:

This chapter highlights the Activities that have been already completed.



Step 1: Project Inception

In the kick-off meeting, Accenture discussed and received feedback on the project objectives, goals, outcomes, deliverables and timelines. The reporting structure was also discussed. The project team was introduced to the stakeholders. Please refer **Annexure II** for the minutes from the meeting.

Steps 2 & 3: Identify Issues & Consult Key Stakeholders

Post setting up of the project office, Accenture team has identified issues through the following approach:

1. Study of identified common e-Governance RFPs required by the Government (Products, Services, Turnkey, Consultancy etc.) to be covered as a part of the engagement, and

Bid Documents studied and reviewed for Standardization approach Development

S. No.	Document Name	Project Type
Expression of Interest (System Integrators)		
1.	CCTNS Project Criminal Investigation Department, Assam Police, Ulubari, Guwahati-7, Government of Assam	CCTNS
Request for Proposal (Large Projects, Consultants)		
2.	Empanelment of Consulting firms for Providing Consulting Services to States/UTs for Enabling Electronic Forms Application through State Portal and Service Delivery Gateway	State Service Delivery Gateway (SSDG)
Request for Empanelment (System Integrator)		
3.	Empanelment of Enrolling Agencies for undertaking Demographic and Biometric Data Collection for UID Enrolment	UIDAI
Request for Proposals (System Integrators)		
4.	Selection of System Integrator for CCTNS, Rajasthan	CCTNS
5.	e-District West Bengal	e-District
6.	Implementing, Commissioning and Maintaining CCTNS in Haryana Police	CCTNS
7.	Implementation Partner For Computerization of VAT in the States of Himachal Pradesh and Jammu & Kashmir	VAT
8.	Implementing Computerization of VAT Information System and e-Governance in the Department of Excise and Taxation, Punjab	VAT
9.	Computerization of Value Added Tax for Excise and Taxation Department of Himachal Pradesh	VAT
10.	Mission Convergence	Convergence of multiple department database
Request for Proposals (Hardware / Products)		
11.	SWAN Maharashtra	State Wide Area Network (SWAN)

S. No.	Document Name	Project Type
12.	Setting up of State Data Centre in Imphal, Manipur	State Data Centre (SDC)
13.	Implementation of Nagaland State Wide Area Network (NagaSWAN) on Build Own Operate Transfer (BOOT) Model	State Wide Area Network (SWAN)
Request for Proposals (Consultants)		
14.	Selection of Consultants for preparation of DPR for implementing e-Governance in the Municipal Corporation of Shimla	E-Gov DPR
15.	Rajasthan UID PMO	UIDAI
16.	SWAN TPA	State Wide Area Network (SWAN)
Request for Proposals (Consultants For Turnkey Solution)		
17.	Consultancy Services for Implementation of Automatic Fare Collection System in Delhi	Transport Department
18.	Selection of Consultancy Company for implementing Total Solution for e-Governance in Commercial Taxes Department, Tamil Nadu	Taxation
19.	Selection of Consulting Agency for Solution Approach for Integrated Financial & Human Resource Management Systems for Department of Finance, Haryana	IT Strategy

- Capture of issues through key Stakeholder discussions held by Consultant and facilitated by DIT

The key stakeholders were identified using a methodical process as illustrated in **Annexure II**.

As a first step towards the intended Stakeholder Engagement, Consultant conducted, with the help of DIT, workshops with System Integrators, OEMs and Consultants to gain an understanding of their concerns and challenges. This exercise was aimed at identifying the key issues in RFPs and bid process which are dampening the Government's e-Governance driven ambitions. **23 agencies** were invited to participate in the **3** different workshops.

The details on these Industry workshops are as tabulated below:

Workshop with	Date	Participants	Objective
SI vendors	02/08/2011	<ol style="list-style-type: none"> CSC SPV CMC HCL Infosys Ltd. HP Infosys 	To learn about the issues SI vendors face responding to e-Gov RFPs and also when delivering the RFP mandated solution and providing post implementation support

Workshop with	Date	Participants	Objective
		6. L&T Infotech 7. Mindtree 8. NASSCOM 9. TCS 10. Wipro Ltd.	
OEMs	04/08/2011	1. Adobe 2. Cisco 3. Computer Associates 4. IBM 5. Oracle 6. Red Hat 7. Sun-Oracle	To learn about the issues OEMs face when working with SI vendors to respond to e-Gov RFPs and also when delivering the RFP mandated solution and installing relevant products
Consultants	08/08/2011	1. Deloitte 2. Ernst & Young 3. ILFS 4. KPMG 5. NISG 6. PwC	To learn about the issues Consultants face when responding to e-Gov RFPs as sole party or with SI vendors, and also when delivering the RFP mandated knowledge materials

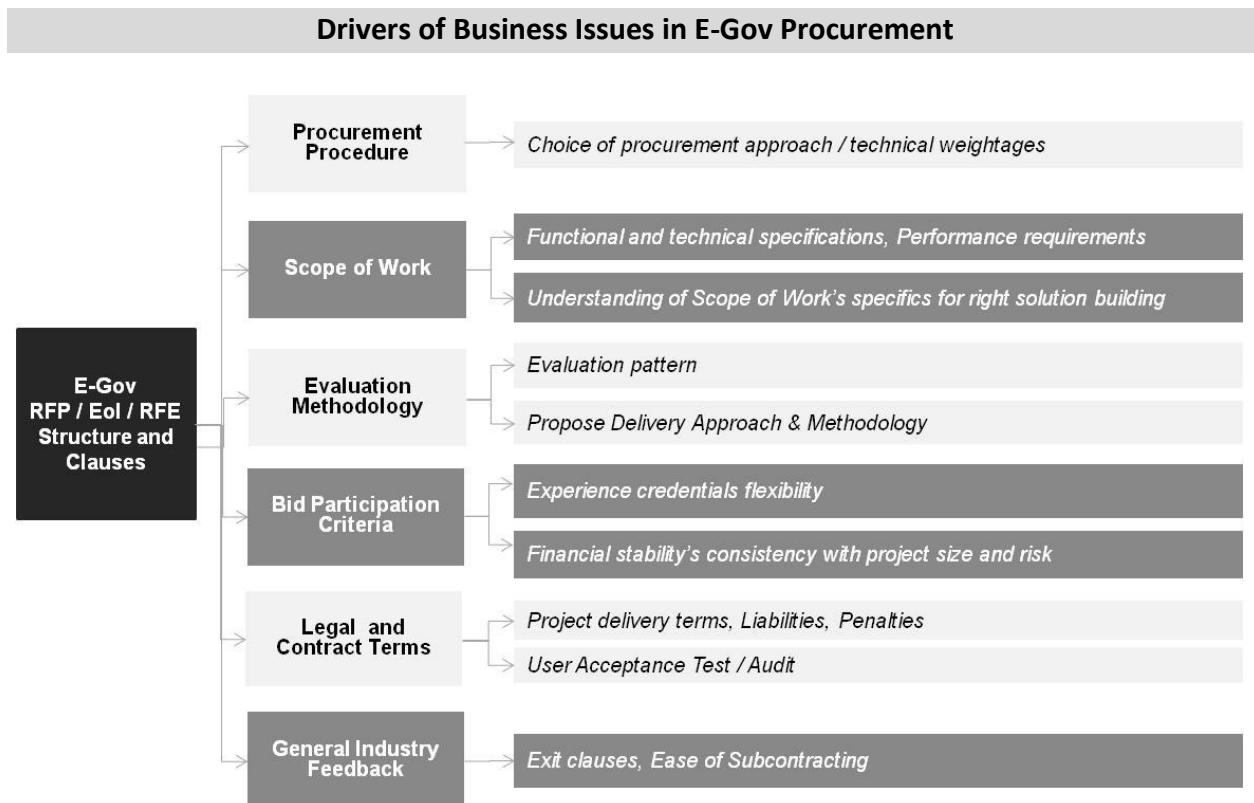
Consultants discussed various issues with these active companies on how we should resolve RFP laden issues for better bid participation and e-Gov solutions delivery. DIT also received written feedback from some of the participants (please refer **Annexure III**). The summary of these workshops are placed in **Annexure IV**.

The issues identified based on the research carried out and these Industry interactions are detailed out in **Chapter 3** of the Approach Paper.

3 Overview of Key Issues Involved in Standardization Exercise

Consultant team closely examined a **meaningful set of 100+ major issues** that were either shared by the stakeholders or identified by Consultant through the study of various tender documents.

Learning from the standardization exercise, we have sketched below the key the drivers of issues that affect the progress and success of e-Gov procurement in India.



We have further organized those issues under various logical sections below.

3.1 Procurement Procedure

1. It has been observed that the mode of invitation is not standard. We observe that the decision to go for a nomination, limited tender or open tender is taken without giving the desired importance.
2. Similarly, it has been noted that the terms EOI & RFQ and RFP & Tender are used quite interchangeably, without appropriate knowledge of their purpose and usage.

3. What has also been understood is that though there are a few service providers who manage the publishing of Government tenders, there is no single official window for accessing the e-Governance procurement tenders or information on them.

3.2 Evaluation Methodology

4. Currently in the Government, we've noticed that there is only Lowest Cost and off-late Quality & Cost based tenders which are popular. Only two modes of selection for the many kinds of e-Gov projects is limiting Government's ability to do genuine bidder selection.

5. The other forms of tenders, like

- **QBS** **Quality Based Selection**
- **FBS** **Fixed Bid Selection**
- **CQS** **Based on Consultant Qualification**
- **SSS** **Single Source Selection**

are not popular and guidelines on them for e-Governance procurement are ambiguous or weak.

6. It has been observed that though QCBS evaluation methodology has been adopted in many RFPs, there are no objective parameters defined / stated for using it in evaluation.
7. Bidders have cited an issue that QCBS, apparently, is not recommended as a mode of procurement for goods in CVC guidelines.
8. It has been noted since that the Technology Refresh criteria is not included for long term (> 5 years) projects, rightful evaluation of proposed solutions does not happen and solutions proposed are kind of basic and not futuristic.
9. It was cited during bidder discussions that low value high risk/impact projects, currently, are not taking advantage of QBS as a preferred evaluation methodology, which is making the selection process weak and not in the best interests of the Government.
10. Currently, what has been noted from bidders, is that the Transparency in selection methodology is missing, which can be achieved through score publishing.
11. It has been observed that though in many RFPs the evaluation parameters have been defined elaborately, but the basis to measure them are very subjective, which leads to preference or perception based scoring.
12. It has come to light that at places where the evaluation parameters are objective, the marking pattern is not commensurate with the Scope of work.

3.3 Scope of Work (Technical & Functional Requirements)

During the various stakeholder discussion and through the review of various bid documents (RFPs, EoIs, RFEs), we found out that the following are the key issues identified under the section “Scope of Work” in the RFPs. We have categorized them into logical themes for easy read and comprehension. It may be noted that the listing of the issues, do not construe as any acceptance or consent about the justification of the issues. These issues would be taken up for resolution during the course of the study.

3.3.1 Relating to Clarity

3.3.1.1 Common Issues

13. It has been seen that are open ended statements in Scope of Work of RFPs/EoIs/RFEs, which lead to different and misleading interpretations by OEMs, and in turn affects their solutioning capacity as well its price. Definitive, close ended statements, when requesting for solutions, technologies and/or features, help OEMs propose appropriately and accordingly.
14. Scope of work also leaves a lot to be interpreted by being less precise on technical needs and less articulate on business specifications.
15. The scope of work is less business requirements centric, the lack of which has caused failed implementation outcomes despite having implemented all the required hardware and software.
16. It has been noted from the OEMs side that both functional and Non-functional requirements are unclear as a whole, when seen in light of the technology capability to be built or the architecture to be designed.
17. It has also been observed that RFPs for various types of works are clubbed together in one RFP. Hardware procurement, Service procurement etc. should have different RFPs, which would then help focus on the right kind of solution needed and related scope of work.
18. The scope of work also does not offer clarity on what the procurement is for: Service or Software/Hardware (i.e. BOMs). It’s important to note here that Services need SLA, BOMs do not. For BOMs, on the other hand, specifications of Hardware and Software specifications must be provided.
19. Scope of work, at times, causes confusion amongst OEMs within the space of BOM reconciliation when SI vendors club functional features from different OEMs into one. The reconciliation of BOMs should be more appropriately a responsibility of just SI vendors.

3.3.1.2 Solution Architecture

20. It is observed that hardware RFPs are too heavy on technical specifications and do not provide detailed performance requirements to help OEMs provide the right kind of solution.
21. We have noted that certain RFPs when defining functional or technical specifications mix up those specifications with various other features/specifications, which if and when interpreted by the book, gives advantages to certain OEMs who probably have that kind of a suite or mix of offerings. The need is seen to clearly demarcate and segregate functional features and their related specifications. Probably, SOA architecture should be detailed out so that the wrong messages are not sent out to the bidders.
22. It also came out during our issue identification exercise that since the Technology Refresh or Obsolesce requirement is not specified in scope of work, most OEMs/SI vendors don't own it up to offer technology refresh in e-Gov projects, which allows for lowering of bid prices and entrance of some old applications into the fray of e-Gov solutions.
23. There are no clear specifications in the scope of work on, once the solution has been implemented, what the mode of service delivery is or would be -> G2C, G2B, G2G, B2G etc.
24. The scope of work does not detail or provide the standards for Payment Gateways, which leads to issues like incomplete and incompatible solution.
25. Many bidders are of the view that scope of work does not mention the expected (or maximum) number of users of the product. This is important as it helps OEMs in sizing and matching expected/specified performance needs.
26. Vendor restrictive requirement was seen as creeping, unintentionally, into the e-Gov procurement process via the RFPs/EoIs/RFEs: scoping being ambiguous sometimes sends preference signals towards certain products:
 - For example, need for integration with legacy systems brings in need for linkages with the old OEMs (of legacy systems) thus restricting the new OEMs to have some sort of advantage. The interoperability factor tends to become a significant advantage to legacy system OEMs.
 - The kind and number of legacy systems are not detailed out for the bidders and certain open ended scope of work statements like "should integrate with all the legacy systems being used by the department" further aggravates the lack of understanding on required legacy systems' integration.
27. It came out during our study of issue identification, that upgrade and evolution of applications, after a certain specified period, isn't factored in when defining the applications deployment scope.
28. Government clients, as we saw while reviewing different types of scopes of work, do not specify in the scope of standards to be used for solution development/deployment.

29. It has come to light that Indian Government and Line Departments do not extensively engage in Proof of Concepts (PoCs). Internationally, Governments do PoCs to evaluate and test different solutions as part of their pilot exercises. Then they choose the technology or product accordingly which greatly helps in defining the scope of work requirements (functional and technical). An example is the Hong Kong Government. Governments in India do not use PoCs before getting into Services or goods (Hardware/Software products: BOM) procurement. This was generally done for situations where the solution was yet to be proven; for example in UID. Thus, as is commonly seen, approximately only 10% of E-Governance solutions may require PoC.

3.3.1.3 Networking Solutions

30. Basis the review done of Networking related scopes of work it was noticed that rarely details exist on the operational coverage of the networking to be done in terms of whether the locations that need networking infrastructure are office addresses, simply government owned land or a corporate park (building(s) where different offices share working space).

31. From the study of various bid inviting documents it has also been noted that details on nearest telephone exchange and its operating bandwidth, type etc. are not provided leading to delays or unexpected networking results (in terms speed, connectivity etc.).

3.3.1.4 Data Centre Solutions

32. In certain State Data Centre (SDC) RFPs it was seen that requirements are not balanced in terms of servers needed, databases to be installed, applications to be deployed etc. Such technical requirements need to be standardized to aid the OEMs.

33. Scope of work for data centre related solutions generally does not make it clear to SI vendors if certain software or hardware had already been procured for an established State Data Centre thus causing repetitive and unwanted procurements through the SI vendor.

3.3.1.5 Data Migration and Digitization

34. Scope of work fails on Data Migration work is unclear and does not have required standards specified on the RFP.

35. Scope of work is unable to indicate what all modules / areas would need data migration and the availability of relevant raw data in those modules / areas.

3.3.1.6 Site Preparation

36. As part of scope of work, Site preparation is put as the responsibility of the SI vendor, which is not appropriate. SI vendors feel that their core expertise is not site preparation and neither do they have the ability to monitor that work and evaluate its quality.
37. It has also been noted that often non IT items are included as part of SI vendor's work pertaining to site preparation like gen-set maintenance, land rental management etc.

3.3.1.7 Effort Estimation (for Consulting and SI Vendor Assignments both)

38. The scope of work does not provide enough details for estimation of the effort. It is worth highlighting that there is lack of standards in related areas, which leads to significant variations in effort estimations.
39. It has been observed that due to some uncertain conditions and various driving equations in the e-Gov space, the Government client lacks the understanding on SoW. Intentions are not made clear by the client – may be through pre-RFP discussions with a preselected group of Consultants and / or the application of certain best practices on work scoping.
40. Scope of Work (SoW) framing process is incomplete and not well thought out when it is a single attempt and one sided affair, as it currently is, and should rather be more of an iterative process where in the SoW got fine tuned over a series of discussions with the Government client.
41. Basis discussions had with Consultants, it was reflected that multiple stakeholder linkages within e-Gov projects lead to too much of dependency on estimating SoW. Consultants then eventually have to rely on their relationships in the Government to gain some more clarity. This, thus, leads to asymmetry of information amongst bidding Consulting firms.
42. Discussions with DIT and Consultants brought in a question whether effort estimation for a project should be left loosely with Consultants to be defined by them or be decided upon by the Government client. It is also noted that effort estimation, when done initially, does not have proper due diligence done by both the Consultant and the Government client.
43. It has come to light that there is an issue with the level of confidence and trust of that could be put on DPRs and probably it alone is not enough to build a RFP with a highly concrete, defined and detailed SoW.

3.3.2 Service Level Agreement

44. It has come through this detailed study that SLAs defined in scope of work are often myopic because though some applications, defined as per the scope of work, are being developed to handle certain SLAs, they do not fit in the overall required / expected solution.

45. It was brought out in the open that it is irrelevant to ask OEMs for compliance to Functional SLAs in the RFPs as there was no way to quantify for that in the very beginning (at proposal stage). Also some of those Functional requirements are considered as being not really important when asking for a particular kind of solution.
46. With respect to SLA definitions that we have reviewed, it was noted that Roles & Responsibilities of Stakeholders aren't normally balanced and clearly defined. Responsibilities, SLAs and timelines for SLAs are ambiguous and SI vendors are made liable to pay the penalty if these are not complied to. However, there are no reciprocal SLAs/penalties towards the client. It is important to note that SI vendors internally have to incur a cost for any delay, due to any reason, caused by the Government client.
47. As has been noted, the Bill of Material (BOM) specifies certain minimum specifications, but to meet the defined SLAs, higher specifications are required amounting to technical incompatibility.

3.3.3 Associated with Deliverables

48. From the scope of work we've observed that it is often not easy to understand what exactly is a "Deliverable" – Consultant's outputs or SI vendor's outputs? Because sometimes, Consultants are asked to get SI vendor's tasks completed for their sign offs.
49. It has been observed in engagement pertaining to PMU related scope of work, that performance assessment/sign offs are often on both delivery/deliverables linked as well as man-month availability based; not on just one. This leads to extra work, unplanned and unaccounted for costs. Typically in PMU work, Consultants only provided resources and are not to be held responsible for project outcomes. Internationally, scope of work renders clarity on these things.

3.4 Bid Participation Terms

Bid participation terms have given a host of issues to bring forth to our attention, as listed below.

50. When inviting bidders to respond, Government asks for various forms of Organizational (Bidder) details (like turnover, profitability, net worth, etc.) which are in public domain. Yet, there is no mechanism for this corporate data of bidding firms to be standardized and digitally stored by DIT in some Government portal, to avoid redundant efforts on collation and paper wastage.
51. It has been observed that every RFP asks for a different custom made format of Power of Attorney (PoA). PoA is a Board approved document and it is not possible to get changes in the wording of the PoA for different RFPs.
52. Often noted is, that as part of bid participation criteria, Government clients request for CVs of actual team/resources with the urge for commitment for deployment on the project. Since the RFP process takes time and is uncertain in nature, flexibility is not given to SI vendors to provide

sample CVs instead of committed CVs. IT and Consulting industries are very dynamic and resources move to different assignments very fast. Waiting for the closure of an e-Gov RFP, which takes a lot of time (months), can become a business disadvantage and be financially stressful for an SI vendor or Consultant.

53. During our issue identification exercise, we noted that Government clients at times find out after concluding the bid process that the proposed team is not the actual team on the project, which causes lack of confidence in resources delivering the project.
54. It came out during discussions with various bidders that currently bidders are allowed to bid below the estimated costs (L1) and this leads to cutting corners during solution delivery. Hence, this practice should be discouraged by all means. Also, because the Government does not internally set a lower threshold value (bid price) for L1 projects, it is considered tough to discourage drastically low bids.
55. There has been an issue with request of Purchase Orders with complete factual data on related projects done in Pre-Qualifications criteria. Many a times NDA exists between SI vendors and their clients hence these details are very tough to furnish.
56. Bidders felt it was unfair of the Government to not accept Authorized certificates of the project executed by them, as it discouraged participation and competitive bidding.
57. It is considered inflexible on Government's part that they do not accept indicative factual data, names and financial figures, instead of exact names, money value, on project experience details.
58. It came out during bidder discussions that they seem to not have a level playing field. There is no flexibility allowed to large companies with international credentials to participate in the bid as well as to medium companies who have the potential to deliver the project.
59. It was observed that there exists no mechanism to promote local players/MSMEs.
60. It was learned from bidders that the requirement of Quality Certifications in the bidding process should be as per the requirement of the scope of work. It was felt that ISO certifications for technology work may not be relevant.
61. It was noted that Credential data requested from OEMs in RFPs is not something relevant to them and has more relevance with SI vendors. OEMs, typically, work with SI vendors who are the Prime bidders in almost all cases.
62. It was understood that disclosure of Purchase Orders by OEMs of work done with clients is not relevant because OEMs partner with SI vendors who in fact are the ones who have won the project.

3.5 Payment Terms and Model

63. It was acknowledged during discussions that large SI projects have become very risky for SI vendors – high CapEx and high OpEx. Payment terms for SI vendors are not flexible to allow them to recover their “pass-through” expenses on User Acceptance.
64. It has been noted that payment terms are not properly linked to CapEx. Government takes immediate complete ownership of products/services delivered but Payment made is only about 30% to 50% of the value delivered.
65. It was an observation that success fee is not included as part of Consultant’s payment schedules to encourage and incentivise even better performance.
66. It’s been noted that the business model / PPP model decided during the bidding process is carried out with inadequate due diligence and buy-in from concerned stakeholders.
67. It’s been seen that a good practice that any business model put in the RFP should be pre-approved from at least the following, is not being followed:
 - The concerned department
 - Finance
 - State Planning Department

3.6 Commercial Bid and Evaluation

68. It came out during discussions with various bidders that currently bidders are allowed to bid below the estimated costs (L1) and this leads to cutting corners during solution delivery. Hence, this practice should be discouraged by all means. Also, because the Government does not internally set a lower threshold value (bid price) for L1 projects, it is considered tough to discourage drastically low bids.
69. It is observed that the commercial bids contain certain items which may or may not be procured later. This is a risky item and may be misused subsequently
70. The lowest quote can differ if the discretionary item is not procured subsequently. This provision can be potentially misused.
71. The business model / PPP model decided during the bidding process is carried out with inadequate due diligence and buy-in from concerned stakeholders
72. By having multiple quotes for various transactions in a PPP bid it may result in a drain in the exchequer (for e.g. Income Tax)

3.7 Legal and Contract Terms

We have identified the common yet complicated bunch of Legal and Contract Terms issues that have been creating friction in the bidding process. These issues have been arranged as below for a clear grasp on the matter.

3.7.1 Risk exposure to the Bidding Organization from Non-Controllable Events

73. Liability Limitations for contractual breaches and Indemnification.
74. Limitation of Liability: Either completely absent, or if present, cap for direct damages has wide exclusions. In many Tenders even the exclusion towards indirect and consequential damages are not present.
75. Further Liquidated Damages for Delay in delivery are mostly uncapped and always computed on the total Contract Value in terms of % instead of its computation being restricted to the value of the undelivered Goods/Services.
76. It has been noted that the Indirect Liability clause is too one sided and financially risky for the bidder. The others like Direct Liability and PBGs too are not being applied on the basis of the relevance on the applicability of these clauses.
77. Indemnity: Seeks Indemnity for breach of any contractual obligation including performance related breaches.
78. Client Dependencies: No waiver provided under the contract for failure to meet milestones on account of delays caused primarily due to reasons attributable to Purchaser.
79. Taxes: Prices are inclusive of all taxes and variation in taxes to the account of Service Provider.
80. Dispute Resolution/Arbitration: Arbitrators are unilaterally appointed by Purchaser, and the Arbitral Award is made final and binding.
81. Blacklisting due to Breach of Contract: Purchaser retains the right to blacklist Service Provider in case Service Provider is in breach of the terms of the agreement.
82. Termination for convenience by the Purchaser: Right to terminate for convenience available with Purchaser throughout the term of the contract without any notice period/ too short notice. Payment terms in case of termination vague and one-sided in favor of Purchaser. It was highlighted that Notice Period for termination is not a fair figure, and it should be at least 150 days as the SI vendors have already committed on costs in advance for various activities pertaining to the project. Also, as per international practices, whenever the termination clauses are invoked, the SI vendors are compensated for the costs they have incurred, which does not happen in e-Gov projects in India.
83. Title Transfer: Title in goods passes on to Purchaser only after final acceptance of complete system/project.

84. It has been observed that the payments terms are hugely challenging and getting paid for the service delivered is always a risk in a Government project.
85. Late Payment – right of interest recovery and right of termination to Service Provider.
86. No protective rights are provided under the contract for failure of Purchaser to meet its payment obligations.
87. Exception from Confidentiality Obligation: No information relating to the contract / project to be shared with a third party without prior written consent of Purchaser.
88. Most Favored Purchaser: The price charged for the materials supplied under the order by the supplier shall in no event exceed the lowest price at which the supplier or his agent/principal/dealer, as the case may be, sells the materials of identical description to any Persons /Organizations including the Purchaser or any Department of the Central Govt. or any Department of a State Govt. or any Statutory undertaking of the Central or State Govt. as the case may be, during the currency of the order. The circumstances, terms and condition on which sale is made is quite different in each case; hence, this clause increases the risk of the bidder. It was understood that the Fall Clause (price protection for SI vendor) is unfair to the SI vendor. If an already provided product/service was cheaper earlier in time, it shouldn't necessarily remain or be so for future commerce with the Government as it puts the SI vendor to an unimaginable financial disadvantage.
89. Forfeiture of EMD: EMD can be forfeited if the Service Provider fails to sign the contract as per the terms of the RFP.
90. It was understood during bidder discussions that SI vendor should not be asked to comply and make changes to comply for any future changes in the legislation etc. Such changes should be carried out through Change Control.
91. Risk Purchase: During the currency of the contract, Govt. reserves the right to procure the undelivered goods and services from a 3rd party vendor at the cost of the Service Provider.

3.7.2 Restricting Operational Flexibility

92. Restriction on Subcontracting: Restrictions placed on appointment of subcontractors without the explicit approval of the Purchaser. Even where it is permitted, Purchaser seeks a control over the sub-contract terms and conditions. In some cases, even the sub-contracting of the work itself is not permitted. Since the SI vendors are responsible for the successful outcome of the project, they should be provided the flexibility to choose/replace the sub-contractors during the course of the project.
93. Deemed Acceptance: Concept of deemed acceptance is absent in majority RFP's/contracts.

94. No Blacklisting as a Prequalification Criteria: General, wide and vague blacklisting declarations have been notice as part of prequalification.
95. Intellectual Property – pre-existing IP of Service Provider: For Service Provider to retain rights in its pre-existing IP, Service Provider has to provide documentary proof which establishes legal right of Service Provider in such IP as a precondition to contract.
96. Service Level Agreements [SLAs] and associated Service Credits: SLAs as prescribed under Govt. Tenders are very stringent and one sided and the fixations are without any consultative process with the Service Provider.
97. Strategic Control & Exit Management: Exit Management clauses are not well elaborated and provided for in an unambiguous manner.
98. Conflict of Interest: If a Company is acting as a consultant for a Project in one State, then the Company is ineligible to participate as Service Provider/ System Integrator for the same Project in any other State and vice-versa. However, the Company should be allowed to bid for different role in other States.
99. It was observed that since OEMs do not front-end the bidding process, hence, there should not be the clause for OEMs to be “jointly and severally liable” as it put unnecessary and unwarranted risk on them.
100. It was noted as an issue that it is not possible for SI vendors to share the IPR or the source code for the software provided by them. They could have the OEMs to only provide licenses to use them and that there is no such thing as “unlimited” usage license.

3.7.3 Arbitration & Litigation

101. The issue identification exercise brought forth the fact that the Arbitration clause in the RFPs is not consistent with the Arbitration and Conciliation Act, 1996 as it quite often puts the Secretary of the Department as the Chief Arbitrator. This does not provide an equal opportunity for the SI vendor to present its views and have fair conclusions/decisions.
102. It was understood that currently Arbitrators, if in existence in the e-Gov bidding process, are not independent third party agencies whose existence and defined role have been disclosed before the project starts. All project approval disputes must be sorted out through this agency.
103. It was brought to light that since the typical e-Gov (IT) projects are fairly straight forward with respect to arbitration mechanism, the existence of external arbitrators having high fee could heavily impact the Government’s budget for the project. Probably it was important to first classify the kind of relevant e-Gov projects that could need such arbitration mechanism.
104. The study on contract terms based issues raised the point that the Confidentiality clause seemed to be not clearly defined and equally bounding to all parties –Government client, Consultant, SI vendor and OEM.

- There is no formal agreed process around this
- Best practices in this area have not yet been reviewed or included

105. It has been noted that Cure Period is not sufficient and needs to increase from the current 1–2 weeks.

3.7.4 Non Binding Clauses for Government for Completion of Activities

106. It has been observed that the clause/mechanism to penalize consulting firms (and not just SI vendors) in case SI vendors failed to deliver is not currently included in RFPs. Also, when including this clause required due diligence must be done by an independent third party agency, and not by Government or SI vendor, whose identity is known before the bid process is concluded.

107. A pertinent issue with Contract terms is that for sign offs; the Acceptance Criteria are not clearly defined and are subjective.

108. Another serious issue brought forth relating to the Approval Process is that it is not streamlined and SI vendors don't know in advance on the multiple levels required for approvals or if they should get approval from just one stakeholder.

109. The identified issue relating to the Governance structure of the Government entity hiring Consultants is that if it is not furnished to bidders it considerably affects:

- Delivery signoffs
- Implications due to Penalty clauses
- Payment schedules (delays of it)

3.8 Miscellaneous (General Industry Feedback)

Apart from and beyond the issues identified so far in the previous sections, we also received few general thoughts from stakeholders during our close and collaborative discussions with them. These have been listed out here:

110. In many situations, the Government department has the funds allocated. However it is rare that the department shares the available budget for an initiative.

111. As has been seen, Deviations clause is not really exercised. Because, if bidder puts in possible deviations, the Government client strongly influences the decision to withdraw them.

112. Bidders shared during discussion that “Boundaries” should not be created for the SI vendors when they are liable for not meeting the outcomes. They should have the flexibility of operations in terms of choosing their solutions, subcontractors etc.

113. It was discussed that though the model RFPs that would be communicated to the State Government and Central Government Ministries would not be obligatory in nature, the initial purpose being advisory, it is expected that these would get popularised in the industry. And, at an appropriate time, these guidelines and model RFPs would be taken to the Apex Committee for approval to get them mandated.
114. It has been shared during stakeholder discussions that though there are no current “standards” (like metadata standards, security standards etc.), they would be created as part of another exercise. DIT is going to carry out a separate exercise on that front and the Guidelines would suggest the use of these standards for the e-Governance projects.
115. An issue brought to light is that OEMs are currently not allowed to put questions during the pre-bid meetings, but this could help eliminate the repetition of questions posed by the SI vendors.
116. It’s been observed that Consulting engagements are yet to move towards only outcome based evaluations; there should not be extra emphasis on inputs (resources).
117. An issue we see currently is that there exists no pre-RFP EoI that could help to initiate Consultants’ engagement before actually formalizing the RFP for release.

4 Alternative Courses of Action for Standardization, Methodology Suggested & Decision Points

Consultant devised the following **Analysis and Recommendatory Model** for devising Alternative Courses of Actions, Methodologies and Decision Points and give a head start to the process of building guidelines for developing the Model RFP documents.

4.1 Addressing Issues: Alternative Courses of Action for Standardization and Methodology

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
1.	Procurement Procedure	<ul style="list-style-type: none"> • Procurement Procedure often acts like a entry barrier for potential bidders • There is a limited competition in a limited tender as compared to open tenders. • It has been observed that the mode of invitation is not standard. We observe that the decision to go for a nomination, limited tender or open tender is taken without giving the desired importance. • Similarly, it has been noted that the terms EOI & RFQ and RFP & Tender are used quite interchangeably, without appropriate knowledge of their purpose and usage. • What has also been understood is that though 	<ul style="list-style-type: none"> • A clear cut guideline on how & when the projects can be given on nomination basis, when the limited tender should be used, open tenders should be used and when the empanelment list should be used • Clear cut guidelines when a rate contract can be used in an empanelment. In the study of international best practices, empanelment process is being used in Australia extensively. The same can be studied in detail and its applicability in India needs to be evaluated. • A guideline need to be provided whether the entire scope of work is covered in one bid process or it should be hived off in several bids. 	<ul style="list-style-type: none"> • For procurement on Nomination basis, agree on a condition / financial limit at which it can be used for procurement for Consultants / SI. • For procurement on Nomination basis from the empanelment list, agree on a condition / financial limit. • Conditions when Limited tendering can be done • Conditions where all the scope of work should be clubbed in a single bid vs. multiple bid

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
		<p>there are a few service providers who manage the publishing of Government tenders, there is no single official window for accessing the e-Governance procurement tenders or information on them.</p>	<ul style="list-style-type: none"> The Guideline should be transparent and at the same time allow for genuine cases of single tender, limited tenders with appropriate justifications 	<ul style="list-style-type: none"> Have a single window (a website/portal) for all e-Governance opportunities (from Concept to RFP Stage). DIT to have a procurement cell which should empanel the Consultants and Solution Category for various types (or NICS I empanelment can be used) of work and categories. Post this empanelment, the empanelled companies should be not be evaluated on the a) Eligibility a) Financials b) Number of projects carried out BUT they should be evaluated on the quality of solution proposed by the bidders (or quality of Consultants provided). This should encourage participation by international players. Currently the weightage of solution proposed gets diluted amongst the

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
				financials and number of projects completed. <ul style="list-style-type: none"> Define threshold values for various modes of procurement/tendering to calibrate the <i>Guidelines</i> <ul style="list-style-type: none"> For complicated solutions, Proof of Concept (PoC) should be used. Guidelines and the manner in which the PoC should be used needs to be outlined.
2.	Evaluation Methodology Eligibility	<ol style="list-style-type: none"> Currently the Pre-Qualification and Technical qualification criterion gets developed in such a manner that it becomes favorable to a few organizations The RFP document may become a tool to ensure entry barrier for competent players. Disproportionate to project worth turnover requirements, Client certified Proof of experience certificates tough to get due to NDA, high risks 	<ul style="list-style-type: none"> A guideline on providing the pre-qualification criterion and evaluation criterion. Best practices to be taken from International Funding Organizations The buyer should request for information on whether the bidding agency has been blacklisted. However in case it has been blacklisted, the reasons thereof may be analyzed and then an appropriate call may be taken. 	<ul style="list-style-type: none"> Mandating the Guidelines for fixing the eligibility criterion. The reasons for any deviations from the Guidelines need to be recorded. The right to blacklist Service Provider should be only in case where Service Provider has committed fraud or was involved in corrupt activities. <i>Guidelines</i>

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
		because of to-be deployed personnel’s CV commitments and related penalties 4. Quite a few of the leading companies have been blacklisted by some Government agency. However, it is being used as restrictive practices to curb competition.		The OEMs should not be asked to provide the work orders, as generally the work order is not shared by the SI
	Technical Evaluation	<ul style="list-style-type: none"> The decision regarding mode of invitation has an impact on the competition and thereby costs The availability of the information regarding the budget is a “privy information” and can provide an information to a bidder / vendor / consultant Even post empanelment, Corporate profile is given undue weightage in evaluation 	<ul style="list-style-type: none"> Guidelines ensuring transparency in choosing the manner of selection resulting in a decision tree which helps in taking the right decision Sharing of information to potential bidders to the extent possible to provide equal platform for competitive bidding. This quite prevalent in the tenders released by the International donor agencies in India 	Standardization of conditions when the following should be used: <ul style="list-style-type: none"> CBS QCBS QBS SSS FBS <ul style="list-style-type: none"> Introduce the evaluation process for financial bids where the bidding agency gets penalized for being on either side of bell-curve (either side of the extreme). Introduce Public Service Value and as a concept / mode of evaluation

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
				<ul style="list-style-type: none"> • Introduce Value for money as a concept / mode of evaluation • Decision to convey on the budget approval in the bid documents <p><i>Guidelines</i></p> <ul style="list-style-type: none"> • The Technical Score should be published before the opening of financial bids and one week given in between for bidders to request for reviews • The technical evaluation should be done on a maximum marks of 1000 marks so that comparative evaluation can be done for areas having small weightage in evaluation
3.	Scope of Work (Technical & Functional Requirements)			
	Relating to Clarity	<ul style="list-style-type: none"> • The trend of providing sketchy information in the tender and leaving a significant part of the 	A checklist may be provided in which the RFP should provide the requisite details which can help in	Decision on making “Standard information to be provided” as mandatory requirement

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
		<p>scope estimation to the bidder increases the potential risk for the project</p> <ul style="list-style-type: none"> • It has become “acceptable” in the PPP tenders that the information provided by the Department would be limited and all the risk has to be borne by the bidders • Segregation of requirements basis the nature of procurement • Performance requirements are not furnished, rather there’s too much focus on technical specifications • The allocation of funds for the project is top-down approach. The approval amount is determined by the amount allocated to a State. Hence DPRs are made to force-fit the amount available. However quite often this amount is inadequate to deploy a basic minimum solution. 	<p>the bidders estimating the right effort & solution. This template needs to be provided to ensure that</p> <ul style="list-style-type: none"> • Appropriate level of details provided • Clarity in In-scope/ Out-scope definition • Scalability requirement (beyond a statement of intent) • Interoperable requirement (beyond a statement of intent) • Open Standards <p>This needs to be provided with respect to:</p> <ul style="list-style-type: none"> • Networking • Data Digitization • State Data Centre • Application requirements (Functional and Non Functional) • Site Preparation • Capacity Building & Training • Hardware • Operations & maintenance support for the above activities. <p>Either the DPRs should be done as a</p>	<p>for different type of works. (May be shared with the industry)</p> <p>Details to be provided for Non-Functional and Performance Levels in RFP involving software implementation (these would keep on evolving on frequent basis)</p> <p>For scope of work relating to the effort estimation (Consultancy or application development), the RFP should be clear whether it is an “outcome based RFP” or “input based RFP” In case this is “outcome based RFP”, the payment terms, risks, penalties etc. should be different from an “input based RFP”</p> <p>Consultants should be held accountable for variations in the bids with the amount budgeted in DPR and amongst</p>

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
			detail exercise which meets the RFP requirements or there should be a formal review in the budgeting requirement when a detailed costing is done. This would also impact in the projecting the correct utilization amount.	the bidders. A suitable incentive / disincentive may be introduced in consulting bid. <i>Guidelines</i> <ul style="list-style-type: none"> • Guidance on situations where the Scope of work can be clubbed in one RFP and where it should be separate RFPs • In cases where “Indicative specifications” need to be provided, it should be ensured that • The specifications are available with only a single OEM. If possible a range of the performance indicators should be provided, so that it does not favor a particular OEM/ technology • capacity balancing has been done to ensure optimal usage of the hardware • In case consultants are involved, an undertaking should be taken from

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
				<p>them to ensure these 2 points.</p> <ul style="list-style-type: none"> • The Scope of work (typically for consultancy assignments) should be done in consultations with the prospective bidders/panel. This should be done so that the scope of work and deliverables are commonly understood between bidders and buyers. Inadequate effort estimation for consulting work, results in inadequate information in RFP, leading to risk in implementation. • The Scope of work should not include activities / hardware which, cost of which cannot be quantified. For. E.g. the effort estimation for making changes in the software on introduction of GST should not be within the scope of work. It should be taken up as “change request”

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
				subsequently. This would minimize the cost and risk for both the parties.
	Pertaining to SLAs	<ol style="list-style-type: none"> 1. While it is good to have aggressive SLA's, it also can be a tricky situation when abnormal penalties may have to be levied for no fault of the vendor. 2. SLA's not consistent with the technical and functional specifications provided for solution development 	<p>Option 1: SLA & Penalties should be based on practicability of attaining them. As per international best practices, the SLAs have an upper limit and there is an opportunity given to vendor to earn back the penalty amount through better performance / improvement in the SLAs.</p> <p>Option 2: Minimum SLAs should be prescribed and for performance above the minimum SLAs, a premium should be paid to the System Integrator. This would reward the bidder to propose & deploy a robust solution.</p>	<p>Government should review the consistency between SLAs published in the RFP with the type and version of applications / hardware procured</p> <p>Counter SLAs on other stakeholders to delivery may have to be included to avoid SLAs becoming one sided</p> <p><i>Guidelines</i></p> <ul style="list-style-type: none"> • SLA should be realistic (Consultant to study the requirement and certify the attainability of the SLAs). A suitable incentive / disincentive structure to be evolved which encourages a) attainment of SLAs b) improvement in case of non-attainment of the SLAs. • The RFP should also provide for the measures / control in place to

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
				<p>measure the SLAs. In case of dependencies from the other stakeholders, the same also should be measured. In the absence of infrastructure / process for measurement, the SLA should not be put as a penal SLA.</p>
	<p>Associated with Deliverables</p>	<ol style="list-style-type: none"> 1. The bidder has minimal information to prepare a solution and more often this results in huge variation in the financial quotes 2. The decision whether to retain the current solution or to go for a new solution should be done before the SI bid and should not be left to the bidder. The decision taken by bidder can be counter productive 3. The bill of material should be a firm one and should not be left as indicative by the consultants. 4. Timelines /Deadlines set in the RFP are unrealistic and quite aggressive. 	<ol style="list-style-type: none"> 1. The bill of material should be a firm one and should not be left as indicative by the consultants. 2. The RFP document should have last level of clarity regarding : <ol style="list-style-type: none"> a. Solution Architecture b. Leveraging SDC c. Network / SWAN d. Licenses e. Support f. Proprietary vs. Open g. Security Architecture h. Deployment Model 3. All models and brands comprising of 80% of the market share should be evaluated and should result in a firm Bill of Material even for PPP /Turnkey Solution provider model 	<p>In case the specifications are mentioned in the RFP, then the Buyer/Consultant should be responsible for the performance. In case specifications are not mentioned then the bidder can identify right specifications (at its own risk) which should meet the SLA.</p> <p><i>Guidelines</i> The Deliverables should be linked to the controllable factors. All stakeholders should commit deliverables from their side. The commitment purely from SI/Consultants for attaining a deliverable is liable to miss the timelines.</p>

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
				<p>The timelines set for any project should be based on similar project implemented in India. The SLA for meeting the SLA should be for all the stakeholders and mutual commitment should be provided for timely completion of the project.</p>
4.	<p>Bid Participation Terms</p>	<ul style="list-style-type: none"> • Inflexibility on Government’s part when asking bidders to commit/lock CVs of proposed team’s resources without actually committing on a near future date to conclude the bid and start project • Project experience data requested have little flexibility on degree of details and specificities • Requesting bidders for Purchase Orders with complete factual data on related projects done can often be an issue as many a times NDA exists between bidders and their clients • Government does not accept Authorized certificates of the 	<ul style="list-style-type: none"> • Discuss with key Government stakeholders the standard approach for requesting CVs under different bid conditions • Bidder experience details/credentials/certificates to be reviewed in terms of bringing in more flexibility for firms to participate on basis of the strength of their proposed solution 	<ul style="list-style-type: none"> • MSMEs should be encouraged and in each bid, there should be a condition for the bidders to use a certain percentage of work (in value terms) should be earmarked for the MSMEs. Our study on international best practices show that this is being practiced in Australia • Acceptance of Power of Attorney (PoA) in its variant forms to be agreed to by Government buyers • Direct and perceptible linkage of quality certificates with scope to be enforced in RFPs

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
		project executed by bidders <ul style="list-style-type: none"> • Organizational (Bidder) details (like turnover, profitability, net worth, etc.), which are in public domain are repeatedly asked for • Different variants of Power of Attorney are requested in different RFPs by clients • Quality certificate requirements like CMMi, ISO etc. do not have direct and perceptible linkage with scope of work • Appropriate terms to ensure inclusion of MSMEs is missing 		<ul style="list-style-type: none"> • Having a Procurement Cell which categorizes bidders basis their organizational details, abilities and manages this data <p><i>Guidelines:</i></p> <ul style="list-style-type: none"> • International firms should not only be evaluated for participation on the proof of their experiences but also on the strength of their proposed solutions
5.	Payment Terms and Model	<ol style="list-style-type: none"> 1. Any business model put in the RFP should be pre-approved from at least the following : <ol style="list-style-type: none"> a. The concerned department b. Finance c. State Planning Department 2. In absence of a formal decision on the commercial models, the department may not be prepared to pay the costs emerging through a process 3. It is also possible that any 	<ol style="list-style-type: none"> 1. For Non-PPP type of bids, the Department / Consultants should provide a “price band” in line with IPOs 2. The analysis and assumptions at arriving a “price band” should be made available to the bidders as a part of the RFP document 3. If Government is wary of defaults or lack of good project delivery post making certain payments, then it may increase PBG to secure their interests 	<ul style="list-style-type: none"> • Provide clarification conditions if PPP works in ICT projects or not through review of past such PPP projects and reference to scope of work in those projects • Guidelines on selection of the kinds of PPP project applicable to E-Gov and the model to apply, as many types of PPPs exist

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
		<p>vendor may be given a “sovereign right” for providing a service at a price which has not been discovered through a due process</p> <p>4. It may be possible, that the bidders in eagerness quoted a price which is not a financially feasible option</p> <p>5. It’s often not distinctly stated what the payment will be made on – resource input or outcome?</p> <p>6. Lack of incentives in payment terms for good performance, overachieving SLAs</p>		<ul style="list-style-type: none"> • Payment mode decisions: Based on resource input (people, products, time based service) or outcome/deliverable • Need for rationalization to manage/bring in Govt. support and allay their apprehensions on payments made, since outflow of money / investment for private party is very high • High risk or high value projects may budget for performance incentives / success fee to further raise delivery standards and solution quality
6.	Commercial Bid and Evaluation	<p>1. It is observed that the commercial bids contain certain items which may or may not be procured later. This is a risky item and may be misused subsequently</p> <p>2. The lowest quote can differ if the discretionary item is not procured subsequently. This</p>	<p>1. Variation in financial quotations beyond 20%-30% should be taken as an “defect” for RFP and should be probed in detail about the reasons thereof defined as a process for tender closure report</p> <p>2. As per international practices, a formula may be proposed which</p>	<p>A clear cut checklist should be provided on the situations where the PPP can be deployed and where the other forms of commercial arrangements (QGR etc.) should be used.</p> <p>Any changes in the taxations</p>

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
		<p>provision can be potentially misused.</p> <ol style="list-style-type: none"> 3. The business model / PPP model decided during the bidding process is carried out with inadequate due diligence and buy-in from concerned stakeholders 4. Having multiple quotes for various transactions in a PPP bid may result in a drain in the exchequer (for e.g. Income Tax) 	<p>prohibits abnormally high or low bids.</p> <ol style="list-style-type: none"> 3. A clear guideline on the “dos” and “don’ts” for a commercial bid 4. Given the risks in these projects, there should be some risk mitigation measures, counter guarantees to reduce the investment risk of the bidders 5. Clear Cut Guidelines/ Conditions should be provided to help the department to decide on the Business Model. For e.g. PPP model should be used only if specific conditions are fulfilled 6. Commercial bid for a PPP bid should ideally be only one single quote for a transaction. 	<p>structure should be absorbed by the buyers.</p> <p>Out of Pocket Expenses should be estimated by the buyers and budgeted as percentage of the total value of the bid.</p> <p><i>Guidelines</i> “Most favored purchaser” clause is not relevant for an IT project as the cost of the IT product / services are dependent on various events / terms and conditions. Hence this clause should be avoided for IT projects.</p>
7.	Legal and Contract Terms	<ol style="list-style-type: none"> 1. Risk exposure to the Bidding Organization from Non-Controllable events 2. Higher costs 3. Prone to litigations 4. Unviable delivery conditions 	<p>Review the following terms and conditions in consultations with all the key stakeholders, studying the best international practices from other leading e-Governance countries and alignment with the current guidelines already published by Department of Expenditure), Ministry of Finance (GoI), Central Vigilance Commission, General Financial Rules (Ministry of Finance) etc.:</p>	<p>Changes in the key T&Cs in line with the international practices, specifically with respect to:</p> <ul style="list-style-type: none"> • Ownership of the deliverables • Intellectual Property Rights: IPR should not be asked for proprietary software and the application developed



S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
			<ol style="list-style-type: none"> 1. Ownership of the deliverables 2. Intellectual property rights 3. Sharing of Source Code 4. Arbitration clauses 5. Warranties 6. Audit, Access & reporting 7. Terms of payment 8. Penalties 9. Performance Bank Guarantee 10. Limitation of liability 11. Damages 12. Breach, Rectification & Termination 13. Exit Management Schedule 14. Transfer of Assets 15. Post Termination responsibilities 16. Confidentiality & Security of data 17. Sub-contracting 18. Service Level Agreements 19. Change Requests 20. Audit, Access and reporting 21. Governance 22. Invoicing & Settlement 23. Key Personnel 24. Environmental, Health and Safety 	<p>during the project.</p> <ul style="list-style-type: none"> • Sharing of Source Code • Arbitration clause need to be revised to give a level playing field to the bidders. For high value projects Arbitrators should be appointed on payment basis. • Limitation of liability : Should be aligned with the leading international practices • Confidentiality & Security of data • Change Requests: A current process needs to be improved upon to ensure a streamlined change request process. • Indemnification <p>Strategic Controls and Exit Management need to be aligned with international best practices</p> <p>The Concept of Master Service Agreement should be introduced in for specific situations.</p>

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
			25. Indemnification 26. Disputes	<p><i>Guidelines</i></p> <p>Termination clause should not be unilateral. In case this clause is invoked, the buyer should compensate for the established losses by the bidder.</p> <p>In case payments are delayed due to reasons not attributable to the successful bidder, the interest should be paid by the buyer.</p> <p>Conflict of interest clause needs to be relooked and should not leave it to interpretation of the stakeholders.</p> <p>OEMs and the consortium partners should not be “jointly and severally” responsible. Only the lead bidder should be responsible for meeting the contractual obligations.</p>
8.	Miscellaneous	<ul style="list-style-type: none"> Deviations clause is rarely provided. And if provided, 	The Deviations clause should be able to talk on what is allowed as	There needs to be a process to deal with deviations (the

S. No.	Issue Topic	Key Challenges	Alternative Actions / Standardization Methodology	Decision Points
		<p>sometimes the bidder is unable to exercise it because Government influences their withdrawal.</p> <ul style="list-style-type: none"> • The procurement method do not encourage the Micro, Small and Medium Enterprises (MSME), defined as per Small & Medium Enterprises Development (MSMED) Act, 2006 • Openness to Subcontracting is missing • Providing visibility of funds for projects • Lack of sensitivity towards having viable performance measures 	<p>deviation and what is not. The “must not deviate” sections would be clear to bidder for non-deviation compliance and the “may deviate” sections shall allow the bidders to deviate if strong case/need be.</p> <p>The Government may mandate that the bidders would “outsource” a percentage of the work to MSME.</p>	<p>bidders should not be asked to withdraw the deviations – they should be accepted or rejected).</p> <p>Decision on the mandating the MSME component and deciding on the percentage of the work which has to be outsourced.</p>

4.2 Source for Domestic and International Best Practices

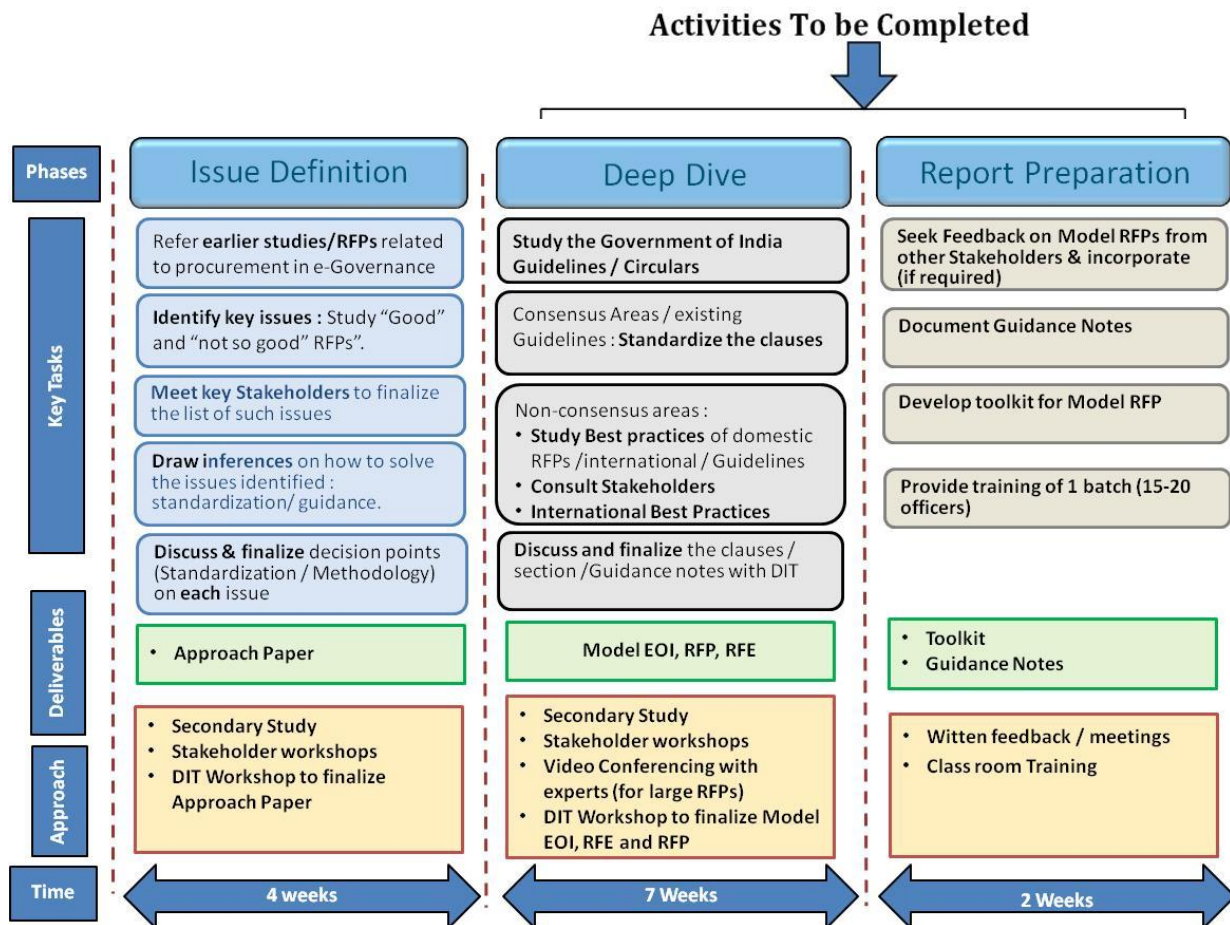
On “in principle” go-ahead, Consultant would examine and analyze various best practices, both domestically and internally, which should be leveraged for this assignment. Some of the well known RFP and procurement best practices we would refer are as follows:

International
<ul style="list-style-type: none">• SourceIT, Australian Government• Commonwealth Procurement Guidelines (CPG), Australia• European Union (EU) Public Procurement Directives• World Bank• Asian Development Bank (ADB)• Office of Government Commerce (OGC), United Kingdom• New South Wales Government, Australia• National Procurement Service (NPS), Government of Ireland• United Nations Commission on International Trade Law (UNCITRAL) Model Laws on Procurement• Mastering Procurement, New Zealand Government• Industry Capability Network, New Zealand
Domestic
<ul style="list-style-type: none">• The Institute for Public-Private Partnerships, <i>infoDev</i> – PUBLIC-PRIVATE PARTNERSHIPS IN E-GOVERNMENT: KNOWLEDGE MAP• NASSCOM, India• General Financial Rules, Government of India• Central Vigilance Commission, India

Consultant is also leveraging its international offices for sourcing some good procurement practices and RFP documents.

A detailed approach for subsequent activities is laid out in the subsequent chapter.

5 Approach & Methodology for Standardization: Subsequent Activities



Having completed Steps 1-3, the subsequent steps are as follows:

Step 4: Interactions with: - a) MoF, b) Industry c) CVC d) NASSCOM and e) CAG & DoE (MoF) and f) International funding agencies

Consultant would detail out the Standardization methodology agreed in Step 3. These would be discussed with DIT and industry. On reaching convergence on these issues, Consultant (with support from DIT) would take these recommendations to other Stakeholders (as decided by DIT for e.g., DoE (MOF), Ministry of Law etc.).

Consultant appreciates that there is a significant variations in the RFP and its clauses. The key reasons being:

- These procurement guidelines are generic guidelines and are not focused on e-Governance domain and hence leave various issues pertaining to Technical, commercial and legal issues unaddressed

- There is no mandate from DIT (GoI) to follow any specific guidelines for the Mission Mode projects under National e-Governance Plan
- Quite often, the issuing department are not equipped to understand the implications of various clauses and are hugely dependent on the formal/informal channel through whom the RFP is prepared
- Government stance on some of the issues are not available at one central place to ensure compliance by Departments/consultants

Hence the key focus for such Interactions would be to develop agreement on guidelines / Standards which bridges “open areas” and aligns the RFP as per the best practices. Consultant would propose, discuss and converge on recommendations on the identified areas before drafting of model documents (EOI, RFE & RFPs).

Step 5: Develop RFP Template, Toolkits and Guidance Notes

Based on the agreement on the guidelines / Standards, Consultant would develop 11 “Model RFPs” for various contexts. The various clauses / section of the model RFP would be categorized into the following categories:

- **“Must”** : To indicate an absolute, mandatory requirement of the Best Practice that has to be implemented in order to conform to the Best Practice
- **“Should”**: To indicate Indicates a recommendation that ordinarily must be implemented. To conform to the Best Practice, an acceptable justification must be presented if the requirement is not satisfied.
- **“May”**: To indicate an optional requirement to be implemented at the discretion of the practitioner, and which has no impact on conformance to the Best Practice.
- **“Must not”**: To indicate an absolute preclusion of the Best Practice, and if implemented would represent non-conformity with the Best Practice.
- **“Should not”**: To indicate a practice explicitly recommended not to be implemented. To conform to the Best Practice, an acceptable justification must be presented if the requirement is implemented.

The RFP templates shall be supported by toolkits and Guidance notes. The “Should” “may” and “should not” clauses mentioned in the model RFP would be referenced to the Guidance notes, to enable even a new Government officer to appreciate the issues and take appropriate decisions, so that a good RFP can be developed.

Step 6: Seek Feedback & Finalize Deliverables

Since the output of this engagement would impact various stakeholders and policymakers, Consultant would endeavor to seek feedback through the following:

- Widespread consultations covering the concerned stakeholders as per suggestion of DIT (Consulting agencies, System Integrators, OEMs, MSMEs & Government Departments), Policy makers (Government Department, Department of Expenditure (MoF), Central Vigilance

Commission) and the agencies who have carried out similar work previously (International Donor agencies and NASSCOM). The engagement with these agencies would be done through the help of DIT (GoI)

- Post finalization of the comments, Consultant would propose to put the draft templates and Guidelines on the website to seek further widespread consultations

Post the above exercise, the deliverables would be finalized which would cover the issues / steps discussed in the previous sections and would cover the illustrative issues mentioned in the flow chart below.

Step 7: Conduct Training

Using the training needs analysis as a base, the detailed training course design contains the products and tools, the concepts or procedures, the summary of instructor prompts and the activities for each topic.

Consultant would provide training session for 15-20 officials for 5-7 days. The training sessions will be provided to appraise the various Government Departments/Agencies who will be using the Model RFPs for actual preparation of RFPs for e-Governance projects. The guidelines provided in the trainings will be used by the Departments/Agencies to identify which template is to be used by which type of projects and how the templates can be customized as per the actual project requirements.

6 Project Plan

The project plan for completion of the project is as follows:

Phases	Activities	Weeks												
		1	2	3	4	5	6	7	8	9	10	11	12	13
Assess Phase	Resource Mobilization	█												
	Design the Project Plan	█												
	Identify the key Stakeholders	█												
	Discussion with DIT and other key Stakeholders		█											
	Identify the key issues and good practices in procurement process through documents available and secondary research		█											
	Design a Approach Paper for the assignment		█	★										
	Acceptance of the approach paper by DIT			█										
	Meeting with the key stakeholders - MoF(DoE), Industry Associations, CVC, NASSCOM, CAG, International funding agencies			█	█									
Design Phase	Design the RFP Templates						█	█	█	█	★			
	Discuss the RFP templates with DIT									█	█	█		
	Acceptance from DIT on the RFP Templates										█	█		
	Develop the Toolkits									█	█	█	★	
	Design the Guidance Notes										█	█	█	★
	Discussion with DIT and Acceptance from DIT on the Toolkits and Guidance Notes											█	█	
Implement Phase	Design the Training material										█	█	█	
	Discuss the Training material with DIT												█	
	Conduct Training of 15-20 officials													★

Deliverables at RfP mandated project milestones

The activities and the deliverables planned are as follows:

Week	Phase	Activity	Deliverable
1	Asses	Resource Mobilization Designing the Project Plan Identifying the key Stakeholders	
2		Discussion with DIT and other key Stakeholders Identifying the key issues and good practices in procurement process through documents available and secondary research Conceptually commence the development of an Approach Paper for the assignment	
3		Design an Approach Paper for the assignment	Approach Paper
4		Acceptance of the Approach Paper by DIT Plan and finalize on meetings with the key stakeholders - MoF/(DoE), MoL, Industry Associations, CVC, NASSCOM, CAG, International funding agencies	
5		Meeting with the key stakeholders - MoF/(DoE), MoL, Industry Associations, CVC, NASSCOM, CAG, International funding agencies	
6	Design		
7		Design the RFP Templates (draft version for discussion)	
8			
9		Begin the development of the Toolkits (first cut for feedback iterations)	RFP Templates
10		Discuss the RFP templates with DIT Progressive discussions and incorporations on the development of the Toolkits Collate, refine, organize and review guidelines included for designing the Guidance Notes Asses the contents and development needs of the Training material	
11		Discuss the RFP templates with DIT Acceptance from DIT on the RFP Templates Develop and submit the Toolkits Design and submit the Guidance Notes Discussion with DIT and Acceptance from DIT on the Toolkits and Guidance Notes Design the Training material	Toolkits Guidance Notes
12	Implement	Discuss the Training material with DIT	
13	Implement	Conduct Training of 15-20 officials	Detailed Training Material

ANNEXURES

Annexure I: Key Challenges – NASSCOM 2010 Report

The recent NASSCOM report on **e-Governance & IT Services Procurement Issues, Challenges and Recommendation** has identified quite pertinent challenges from the Government and the industry. They are as follows:

Government Concerns in tendering for e-Governance

1. Vendors/Bidders should build e-Governance and functional/domain skills
2. Delivery resources assigned to e-Governance projects are not at par with resources being assigned to their global customers
3. The e-Governance sector is not a priority for a majority of industry members
4. Industry members should refrain from submitting low, unviable commercial bids, as it not only impacts the vendor's quality of delivery, but often leads to the termination and litigation, impacting the government's plans and service delivery to citizens
5. Bidders/Vendors should change its focus from product orientation to citizen service delivery in eGovernance projects. The industry is still oriented towards the supply of goods and services and the service orientation which is the core of all eGovernance services is lacking

Concerns/Challenges felt by the Industry /Bidder

As per the NASSCOM report, unique issues related to the procurement of eGovernance and IT services have emerged. Some of these are as follows:

1. Maximum issues & challenges are witnessed in
 - a. Project execution
 - b. Project conceptualization & Scope of Work (SoW)
 - c. Contract, Terms and Conditions (T&C)
2. Lack of continuity of project champion is a challenge across most projects
3. Sign-off's given by a government officers regarding a project, are not accepted by the successor.
4. Many times the successor likes to re-evaluate/review the certification of work, and even SoW & Contract
5. Delays in deliverables from the government
6. Delays in giving timely sign-offs to vendors both by the department and third-party audit
7. Department PMU not empowered to take appropriate decisions, in the interest of project implementation.
8. Project bids incorporate many non-IT items as well, which increase the project cost manifold. This leads to an increase in pre-qualification turnover criteria, impacting the opportunity of small and medium players, and also risk overload by all vendors

Interesting Challenges of designing an RFP

- **Everything into one:** The expectation from a CMMi L5 company is to provide table and chairs and take care of construction: Translating responsibility does not necessarily increase speed and decrease costs!
- **Output Vs. Input:** A lot of issues in today's RFP are because we want to only mention outcome and SLAs: Government and Consultants cannot shun responsibility of some due diligence. SLA is not a panacea for everything – especially given that many a times, SLAs are not measured and payments made. Example SWAN
- Every need and State are different and hence adequate due diligence needs to be done before it is released
- What **procurement model** to choose in selection of an agency

9. Projects incorporate requirements like lease rental, diesel for running of generators: Cost estimation is guesswork, both on the extent of grid power outages, and cost of diesel over a five year tenure. Indexing such input costs to a base price and factoring escalation is missing
10. No counter guarantees, built into the SLAs, for default by the government and government agencies
11. Pre-qualification norms is a challenge for both incumbent SME and large, SME organizations entering the eGovernance domain and at times is favourable to some agency at the cost of competition.
12. Some contracts have unlimited liability terms with no caps linked to contract value and payments to date
13. Most PPP projects are first-of-a-kind project and it is difficult to anticipate transaction volumes. Further, they are dependent on a number of upstream activities like computerization of back-end departments
14. PPP projects not designed in a manner to enable re-negotiation in both cases of windfall gains or losses to vendor.

Annexure II: Stakeholder Assessment and Grouping

Consultant conducted internally a stakeholder assessment and grouping for being able to identify the key people/groups who would be the owners, drivers and practitioners of the Model RFP documents and Guidance Notes. Below we have schematically summarized that process and its outcomes.

Stakeholder Identification

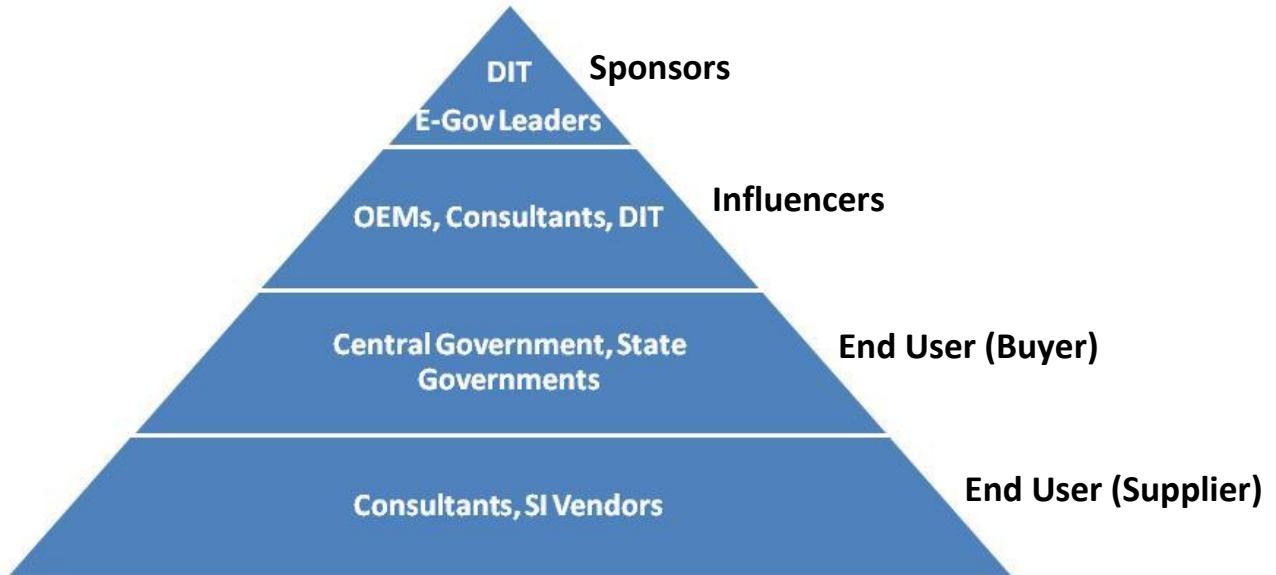


Ground work for Stakeholder Grouping



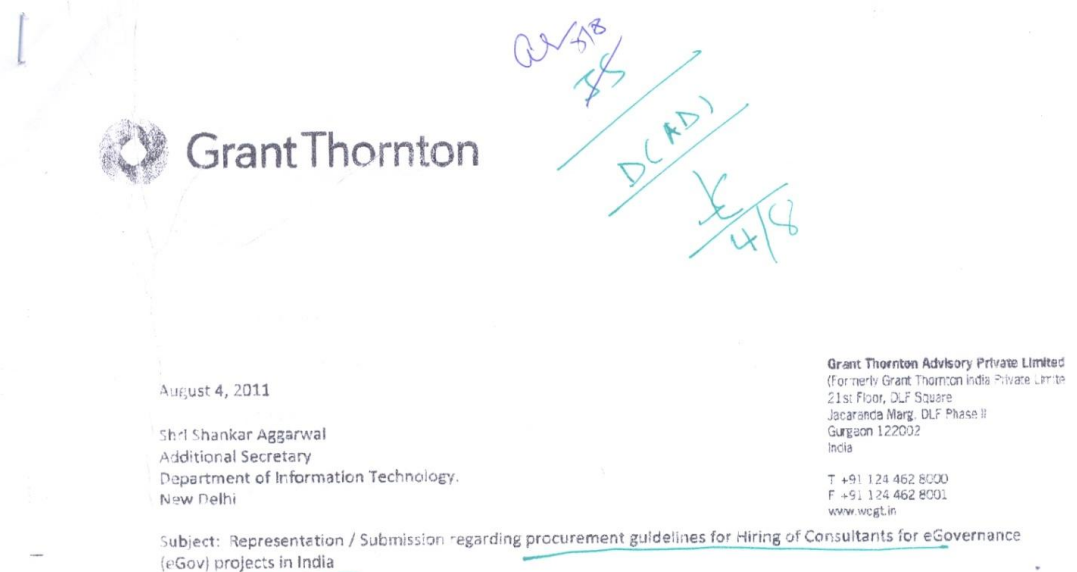


Stakeholder Grouping



Annexure III: Written Feedback from a few Workshop Participants

Schedule A: Grant Thornton



Respected Sir,

Warm Greetings !

We, at Grant Thornton, India are highly appreciative of the e-Government initiatives being taken up by DIT, under your leadership and directional support. We are very keen to participate in some of these eGov programmes, given an opportunity.

Context: There are several RFPs / RFIs that are being released by Govt Agencies in the eGov space in India , wherein, non-standard and restrictive pre-qualification criteria is limiting the competition to a handful of 2-3 existing players in the market. In the absence of any standard National Guidelines on Procurement of Consultancy Services in India, more often than not, the competition is restricted to a few players. Many eGov RFPs do not even provide the new players an opportunity for submitting their Expression of Interest, leave alone winning or losing a bid!

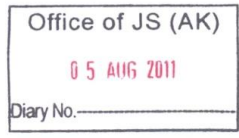
A few points for your kind attention:

(i) Restrictive Clauses around Revenues / Head Count from Indian Operations:

Many of the eGov RFPs / EOIs being floated by Govt Agencies have restrictive clauses around criteria such as Turnover and Headcount from Indian Operations at the Expression of Interest stage itself! This means that any late entrant into India with substantial global revenues , profits, experience does not even get a chance to submit its bid in India! This invariably attracts participation from the same set of 2-3 firms all the time.

(ii) Restrictions on Consortium Bids:

Many of the eGov RFPs / EOIs being floated by Govt Agencies have restrictive clauses around Consortium bids, which further limits the competition at the Expression of Interest stage itself. In this context, we wish to bring to your kind attention that most of the tenders floated by Donor Agencies do not merely consider the Turnover and Head Count of the bidding firm as pre-qualification criteria. On the contrary, bidders are encouraged to associate (consortium etc) the Expression of Interest Stage to augment their Capacity to Deliver at



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(iii) Over emphasis on Firm's Credentials at the EOI stage:

While it is important to weed out non-serious firms from participating in the bid process, overemphasis on past experience of the firm in India from its Indian operations- as a pre-qualification at the Expression of Interest Stage can really hurt global firms / other Indian firms that are keen to expand their foot-print in eGov in India. The purpose of 'Expression of Interest' is defeated, if the firms are not even allowed to submit their expression of Interest! We submit to you that Quality Check should be around people and quality of bid and not so much around Size of the Indian firm and its past experience in India, at the Expression of Interest Stage.

(iv) No standard guidelines on Hiring of Individuals as Consultants:

World-wide, many countries have standard procurement guidelines around Hiring of individual Consultants, based on the needs of the project.

(v) No opportunity for Direct Bidding by International Firms: As per the current practices adopted by Government Procurement Agencies in egov space in India, only the Indian Firm, incorporated under Indian Companies Act is allowed to lead the bid. This again limits the competition to a few Indian firms which may have necessary skills but very little experience in handling such large scale reform initiatives. We wish to bring to your notice that several of the government reforms in India / developing countries are directly led by foreign firms with local offices in respective countries. VAT reforms and Power Sector reforms in India are illustrative examples, wherein, international firms have bid directly in India and supported the reform process of the Govt.

(vi) No standard Guidelines of Conflict of Interest / Arms Length Policies:

For example, Consultants supporting the Central PMUs are allowed to participate in State PMU engagements. This often conflicts with the central PMU role vis-à-vis State PMU consultant's role, leading to self monitoring by the Consulting Firms, many a times!

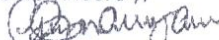
(vi) SPMU / CPMU Consultant being hired as Third party Auditor (TPA) on the same project: This again conflicts with role of SPMU Consultant and in our view, doesn't pass the test of arms length / conflict of interest provisions.

We are of the view that lack of standardized procurement guidelines is hurting many and benefitting a few and this need to be changed for the overall benefit of stakeholders and hence we are making this representation to you, Sir.

We understand that DIT is likely to come-up with Standard Procurement Guidelines for procurement of Consultancy Services. This was long overdue and we thank you for taking up such an important initiative. We hope that we are allowed to provide our feedback on the draft before such guidelines are brought into effect.

We also understand the DIT is planning to release the RFP for selection of consultants for eDistrict SPMU. In this regard, we request you to consider our submissions on merit and do the needful.

Yours Sincerely,



G V Subrahmanyam, Partner & Practice Leader
Public Sector Consulting, Grant Thornton India.
e-mail: gv.subrahmanyam@in.gt.com
Mobile: 8800 990 110

CC:

- 1) Dr. Ajay Kumar, Joint Secretary, Department of Information Technology
- 2) Shri Abhishek Singh, Director, eGovernance, Department of Information Technology
- 3) Shri Ajay Sawhney, President & CEO, National e-Governance Division, Department of Information Technology

Schedule B: Wipro

Sr. No	Clause	Current trend in Govt. Tenders/Contracts	Recommendation/Alternative	Reasoning
1.	<p>Liability Limitations for contractual breaches and Indemnification.</p>	<p>Limitation of Liability</p> <p>Either completely absent, or If present, cap for direct damages has wide exclusions.</p> <p>In many Tenders even the exclusion towards indirect and consequential damages are not present.</p> <p>Further Liquidated Damages for Delay in delivery are mostly uncapped and always computed on the total Contract Value in terms of % instead of its computation being restricted to the value of the undelivered Goods/Services.</p>	<p>Limitation on liability to be specifically included with a cap on direct damages as well a cap on the Liquidated Damages.</p> <p>Liability for Direct damages shall not exceed the Contract value.</p> <p>LD's should be capped up-to a maximum aggregate of 10% value of the delayed Goods/Services and such computed LDs shall not be outside the liability cap as prescribed for direct damages. Further LD's should not be imposed for delays which are caused due to reasons attributable to Purchaser as explained in detail in Point 2 – (<i>Client Dependencies</i>).</p> <p>Express exclusion of indirect and consequential damages to be provided.</p>	<p>Absence of limit on liability for direct damages and exclusion of indirect damages under a contract poses huge financial risk on the Service Provider as well it is contrary to the provisions of Indian Contract Act which provides for exclusion of indirect damages.</p> <p>Liquidated Damages are fair estimates of the genuine loss which would be caused to Purchaser in case of delays in delivery. This estimation cannot be disproportionate to act as a case of punitive damages.</p>
		<p>Indemnity</p> <p>Seeks Indemnity for breach of any contractual obligation including performance related breaches.</p>	<p>Indemnification should be limited to only with respect to specifically identified claims like breach of Laws, IP & confidentiality breaches, bodily injury and death.</p>	<p>If indemnification is provided for any and all breaches under the contract, it negates the comfort of Limitation of Liability provided to the Service Provider under the contract.</p>

2.	Client Dependencies	No waiver provided under the contract for failure to meet milestones on account of delays caused primarily due to reasons attributable to Purchaser.	Service Provider’s failure to perform its contractual responsibilities or to meet agreed service levels shall be excused if and to the extent Service Provider’s non-performance is caused by Purchaser’s omission to act, delay, wrongful action, failure to provide Inputs, or failure to perform its obligations under this Agreement including not keeping the site ready for installation and commissioning .	We should not be held responsible for delay’s or failure to meet agreed service levels to the extent we are able to demonstrate effectively that such delays or failure were on account of Client Dependencies.
3.	Taxes	Prices are inclusive of all taxes and variation in taxes to the account of Service Provider.	Any increase or decrease in taxes during the term of the contract or any new levy coming into force on account of change of Law, should be to the account of the Purchaser	Being Indirect Taxes in nature, it should always have a passing of mechanism otherwise the Service Provider will be compelled to absorb the impact of increase in taxes.
4.	Dispute Resolution/Arbitration	Arbitrators are unilaterally appointed by Purchaser, and the Arbitral Award is made final and binding.	Arbitrator should be mutually appointed or 3 arbitrators should conduct arbitration as per the Rules of Arbitration and Conciliation Act. If the Sole Arbitrator appointment rights are retained by the Purchaser, the arbitral award shall not be final and binding.	Equal opportunity shall be provided to both the Parties in any dispute resolution process.
5.	Blacklisting due to breach of contract	Purchaser retains the right to blacklist Service Provider in case Service Provider is in breach of the terms of the agreement.	The right to blacklist Service Provider should be only in case where Service Provider has committed fraud or was involved in corrupt activities.	Blacklisting a Service Provider for its inability to deliver as per the contract terms is too disproportionate a penalty on the Service Provider as blacklisting puts stigma on the reputation of Service

				Provider and also acts as an hindrance in the Service Provider participating for other Government Tenders.
6.	Termination for convenience by the Purchaser	Right to terminate for convenience available with Purchaser throughout the term of the contract without any notice period/ too short notice. Payment terms in case of termination vague and one-sided in favor of Purchaser.	We suggest that a reasonable notice period of 90 – 120 days should be provided along with mutually agreed termination costs.	As the Service Providers invest a lot in terms of efforts, capital and manpower in any project termination for no fault of Service Provider without adequate notice and compensation is unfair.
7.	Restriction on subcontracting	Restrictions placed on appointment of subcontractors without the explicit approval of the Purchaser. Even where it is permitted, Purchaser seeks a control over the sub-contract terms and conditions. In some cases, even the sub-contracting of the work itself is not permitted.	Subcontracting should be allowed with prior intimation to Purchaser, if not, Purchaser’s approval for appointment of subcontractors should not be unreasonably withheld or delayed. If Service Provider is undertaking the full responsibility of work, he should be given flexibility to negotiate its own terms with subcontractors.	If subcontracting is not allowed, it makes it difficult for a Service Provider to seek specialized services from 3 rd parties. Also such restriction on subcontracting makes is difficult to execute the project in a timely an efficient manner.
8.	Title Transfer	Title in goods passes on to Purchaser only after final acceptance of complete system/project.	Title should transfer to Purchaser, if not early, at least on delivery.	Transfer of title in goods is directly linked to revenue recognition. As the acceptance process is normally long, without any provisions of deemed acceptance, the title transfer should be recognized on delivery.

9.	Late Payment – right of interest recovery and right of termination to Service Provider.	No protective rights are provided under the contract for failure of Purchaser to meet its payment obligations.	Right to claim interest on delayed payments at the prevailing market rates and if the breach persists beyond 6 months, right to terminate the contract with adequate notice to purchaser.	Service Provider is justified to seek undisputed payments in time as a matter of right under the contract.
10.	Exception from confidentiality obligation	No information relating to the contract / project to be shared with a third party without prior written consent of Purchaser.	<p>We request following to be added as an exception under the confidentiality clause:</p> <p>Service Provider may share Purchase orders/ LOI and relevant documentation with its prospective Purchaser s solely for the purpose of and with the intent to evidence and support its work experience under this Contract.</p> <p>Alternatively, if this exception from the confidentiality obligation cannot be provided then in least we should not be asked to disclose the name of the customer as part of the previous work experience.</p>	All government RFP’s require bidders to submit copy of PO’s and give details of engagement of similar nature as a pre-qualification requirement. Hence we suggest that among other carve outs which are exceptions to confidentiality obligation, sharing of project details and relevant work experience with prospective Purchaser s should also be excluded from confidentiality obligations.
11.	Deemed Acceptance	Concept of deemed acceptance is absent in majority RFP’s/contracts.	Deliverables will be deemed to be fully and finally accepted by Buyer in the event Purchaser has not submitted an Acceptance certificate within time frame as mutually agreed under the contract from the date of installation/commissioning or when Purchaser uses the Deliverable in its business, whichever occurs first.	This protection is required to ensure that the Purchaser does not exercise its contractual rights to confer acceptance against deliveries in arbitrary and discretionary manner.
12.	Most Favored	The price charged for the materials	This clause should be proposed only in	Comparable parameters shall clearly be

	<p>Purchaser</p>	<p>supplied under the order by the supplier shall in no event exceed the lowest price at which the supplier or his agent/principal/dealer, as the case may be, sells the materials of identical description to any Persons /Organizations including the Purchaser or any Department of the Central Govt. or any Department of a State Govt. or any Statutory undertaking of the Central or State Govt. as the case may be, during the currency of the order.</p>	<p>very large contract and the principles of “similar buying circumstances” should be followed to draw any parallel to see price advantage.</p> <p>Further, agents/ principals and dealers of the supplier shall be kept outside the scope of this clause.</p>	<p>drawn under the contract to avoid misuse of this right by the Purchaser.</p>
<p>13.</p>	<p>No Blacklisting as a prequalification criteria</p>	<p>General, wide and vague blacklisting declarations as prequalification.</p>	<p>We hereby propose and suggest that blacklisting as disqualification criteria should clearly state that such blacklisting shall be only on account of fraudulent, corrupt and other unethical practices and accordingly the blacklisting provision should be prescribed in various Government tenders in the following manner:-</p> <p><i>“The Bidder should not have been blacklisted as on the date of the award of the contract by any Central and/or State Governments for involvement in corrupt and/or fraudulent practices.”</i></p>	<ul style="list-style-type: none"> • Blacklisting should not be generic in nature (as evident from the examples furnished above) and should state the reasons leading to blacklisting to avoid any arbitrariness in interpretation on eligibility. • The blacklisting embargo should be applicable only for current blacklisting orders and not for those which were in effect in past and are no longer in force. • Blacklisting on account of performance related contractual breaches or on account of routine commercial disputes shall not be

				considered as a ground for disqualification.
14.	Intellectual Property – pre-existing IP of Service Provider	For Service Provider to retain rights in its pre-existing IP, Service Provider has to provide documentary proof which establishes legal right of Service Provider in such IP as a precondition to contract.	Pre-existing IP should always remain with Service Provider. There should be no need to submit documentary proof.	There are no legal requirements to file for copyright /patent for each of the intellectual property which Service Provider has, hence the same should not be made mandatory contractually. Sometimes the application is pending evaluations and proving legal right of Service Provider in such IP as on date of signing of contract may not be possible. Hence this kind of provision should not be part of the agreement.
15.	Forfeiture of EMD	EMD can be forfeited if the Service Provider fails to sign the contract as per the terms of the RFP.	Failure to sign the contract due to non-acceptance by Purchaser of suggestions/deviations submitted by bidder should not be a ground for EMD forfeiture under this section.	Self-explanatory.
16.	Submission of Litigation Details	As pre-qualification criteria, comprehensive details of all pending litigations against the bidder whether relating to criminal and civil cases, economic offences, tax litigations or litigations of any nature are sought.	It is out of context to seek these litigation details as part of the pre-qualification criteria since it has no bearing on the ability of the bidder to perform. Instead, a general undertaking shall be obtained as part of the pre-qualification criteria stating as under:- <i>We hereby confirm that we have no litigation, disputes, breaches of contract, criminal cases, investigations, enquiries or</i>	Seeking such details will compel the Bidders to reveal confidential and sensitive information relating to the Bidder’s organization without any noticeable benefit to the customer in the evaluation process. Compilation of this information on an updated basis also puts enormous time pressure on the Bidder which is neither called for nor a fair ask for the purpose of evaluation process.

			<i>proceedings pending against us which will have any material adverse affect on our performance under the Contract, if awarded.</i>	
17.	Service Level Agreements [SLAs] and associated Service Credits	SLAs as prescribed under Govt. Tenders are very stringent and one sided and the fixations are without any consultative process with the Service Provider.	SLAs setting should be on pragmatic basis and the SLAs should be set in such a manner so that they are controllable and achievable by the Service Providers. Adequate SLA waivers shall be provided where we have Client Dependencies.	Stringent SLAs without any scientific basis will have adverse impact on the pricing and Govt. will be the eventual loser. Further, most of the IT projects are Greenfield projects and setting of SLAs in arbitrary manner is fraught with the risks of imposing unfair Service Credits on the Service Provider.
18.	Exit Management	Exit Management clauses are not well elaborated and provided for in an unambiguous manner.	Exit Clauses should explicitly provide for payment of all outstanding charges to the Service Provider against the provision of services and supply of goods. Further, the termination charges payable to the Service Provider particularly in the event of termination for convenience shall be provided for adequately.	Service Providers tend to suffer huge financial losses on account of non recovery of outstanding payments and cost of demobilization in the absence of well defined process for the Exit Management.
19.	Conflict of Interest	If a Company is acting as a consultant for a Project in one State, then the Company is ineligible to participate as Service Provider/ System Integrator for the same Project in any other State and <i>vice-versa</i> .	If a Company is acting as a consultant for a Project in one specific State, then the Company should be ineligible to participate as Service Provider/ System Integrator for the same Project in that State only. However, the Company should be allowed to bid for different role in other States.	Every State prepares an independent RFP for selection of a Service Provider/ System Integrator and does an independent bid process management with support from consultant. Since, the RFPs are different and every State's process is separate, an organization that works as a consultant in one State cannot have a conflict of interest in a different State where it

				proposes to work as a Service Provider/ System Integrator.
20.	Risk Purchase	During the currency of the contract, Govt. reserves the right to procure the undelivered goods and services from a 3 rd party vendor at the cost of the Service Provider.	In order to ensure that the Govt. customer is discreet in sourcing the undelivered goods and services from a 3 rd party, there should be a cap on the differential value of such procurement and such cap shall not exceed 10% of the original price of the undelivered goods and services.	Risk Purchase cap is essential to ensure that the Service Provider is not loaded with unlimited and unascertained liability on this account.

Schedule C: Hewlett Packard

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
1	Tax Inclusive Pricing	Any increase in rates of taxes will be to the account of the bidder.	The prices in the proposal take into account the taxes computed on the basis of the present taxes applicable with present tax rates and tax structure. Any change in applicability of taxes and the tax structure or rates, including but not limited to Goods and Services Tax (GST) that may be introduced in the future, will be to Customer's Account.
2	Payment Terms during Implementation phase	Holdbacks ranging from 10% - 40%.	<ul style="list-style-type: none"> - No holdbacks. - Based on various milestones and 100% payment should be made up to User Acceptance. - There should not be gap of more than 3 months between two milestones.
3	Termination for Convenience	No lock-in-period on Customer's right to invoke termination for convenience. No statement of Customer compensating vendor for unamortized start up costs, unrecovered value of products, wind down charges suffered by vendor due to Customer's invocation of termination for convenience.	<ul style="list-style-type: none"> - RFP must contain a lock-in-period during which customer should not exercise the right of convenience termination. A minimum the lock-in period must be the implementation period of the project and 6 months thereafter. - In the event of termination for convenience, Customer must in addition to payment of all products and services accepted till the effective date of termination, also pay for all work in progress and reasonable termination charges taking into account reasonable shutdown costs, transition charges and unamortized start-up costs, termination costs of third party contracts and employee costs.
4	SLA Penalties / Liquidated damages	Uncapped Penalties/Liquidated damages or Penalties/Liquidated Damages are either uncapped or capped at a very high value.	During the Implementation Phase, aggregate Liquidated Damages shall not exceed 10% of the value of the product that suffered a delayed delivery / non-delivery. During the Operations & Maintenance Phase, aggregate Penalty on Operational SLAs should be capped at 10% of QGR (Quarterly payments).

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
5	Overlap between the terminologies - "Liquidated Damages" and "Penalties"	Many times RFPs impose both Liquidated Damages and Penalties for the same event / cause of action/default	Liquidated Damages are imposed for delays in performance / non-performance during the implementation phase. Penalties are imposed for non-adherence to the SLAs during the support phase. This distinction needs to be maintained.
6	Performance Bank Guarantee (PBG) invocation	Customer retaining a right to invoke PBG for any breach / any non-performance on the part of vendor. Customers also do not provide the vendor an opportunity to cure breach.	PBG should be invoked only in the event of termination. PBG may be forfeited or invoked only in the event of material breach and failure to cure as per provisions of the Agreement by the vendor.
7	Step-In Rights	Not defined Step-In-Rights process	<p>a) Step-in rights can be invoked only upon breach by the vendor resulting in degradation or delay in Critical Services (to be defined by the parties) and such breach continuing for the greater a pre-defined reasonable time period after the vendor has been given an opportunity to cure such breach prior to invocation of the step-in rights .</p> <p>b) Both the parties will define the process during the negotiation phase that they will go through before exercise the Step-in Rights.</p> <p>c) Vendor's liability will be limited to cover the Customer's incremental cost of affected services under Step-in but will not exceed 10% of the cost of the original deliverable that suffers non-performance/non-delivery.</p>
8	Most Favored Customer	To submit an Undertaking that bidder has not delivered services and equipment quoted in this RFP to any other Ministry / Department of Govt. of India or any Public Sector unit at a price lower than quoted in this RFP.	Most Favoured Customer ("MFC") undertaking should not be required from bidders as every project is different in size, scalability and complexity and a price comparison of two projects is not possible. Further, in every project undergoes a price revision/negotiation and hence it would not be fair to seek a MFC price for the existing project in comparison with an earlier project which has already undergone price negotiation

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
			with the government sector customer.
9	Refund Rights Clause	There will be an Overall Acceptance of the Solution before Project Sign Off and in case Acceptance tests are not done to the satisfaction of the customer then Customer will terminate the contract and SI has to refund all the payments received during the Implementation phase.	This should be deleted as there is an acceptance criteria defined for each individual milestone.
10	Invoice due date	Invoices will be paid after expiry of 60/45/30 days from the date of receipt of invoice by the Customer.	We submits that the payments be made within 30 days of invoice provided invoices are raised along with the supporting documents i.e. milestone acceptance confirmation by Customer. We propose this payment clause as each milestones and the amount to be paid upon completion of each milestone will be clearly stated in the governing agreement.
11	End of Sale	Equipment not to declared End of Sale on or before the date of Go-Live / the date of expiry of the term of the project	We submit that hardware and software of third party manufacturers/licensors are governed by the End of Life policies, life cycles defined/determined by such companies. Such hardware manufacturers and software licensors do not provide End of Life confirmation to the bidders. They only provide a confirmation that such products will be supported during the entire term of the contract period which will be irrespective of the end of life cycle of such product. Hence, bidders must be required to confirm that the products quoted will not be declared end of support during the contract period

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
12	Variation in actual Quantities of Hardware and software actually procured by Customer	Although the RFP states that number of hardware and software licensed that are required to be quoted by the bidder in its commercial proposal, the RFP also states that the actual number of such items that may be actually procured by the Customer may increase or decrease	We state that bidders prepare their technical and commercial proposal and submit price quotations for the individual components of the hardware and software licenses based on the understanding that the numbers stated in the RFP will be procured. However, if the actual number of hardware and software licenses procured by the Customer vary substantially, the bidder should be permitted to review its pricing for the same and recommend if any changes are required on the prices.
13	Certification from 3rd party quality certifying agency (STQC) at every stage of the project	The RFP requires the bidder to involve the STQC and obtain its certification for every stage of the project	We propose that the bidder should be required to engage STQC and obtain its certification at only one stage - at the time of final acceptance of the solution.
14	Provision of bandwidth	The RFP required bidders to procure and provide bandwidth connectivity/services	We submit that the telecom laws of the country prohibit companies other than bandwidth service providers from procuring bandwidth for the purpose of its resale. Hence, procurement of bandwidth should be kept out of scope of work of the bidder. Customer should procure bandwidth directly from the bandwidth service provider recommended/advised by the bidder.
15	Forfeiture of EMD	RFP states that the EMD may be forfeited if: (a) the bidder does not execute the Agreement prescribed / provided by the Customer; or (b) the bidder withdraws the bid; or (iii) the bidder does not deposit the PBG/Security Deposit within a specified number of days of issue of the Letter of Allotment/Letter of Intent	We propose that the Customer should not forfeit the EMD if the bidder is required to withdraw its bid due to inability of the Customer and the bidder to reach a mutual agreement on the governing terms and conditions. We also propose that the successful bidder should be required to submit the PBG/Security Deposit within a reasonable period of time from the date of execution of the written agreement.

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
16	Conditional bids as a ground for disqualification	Conditional bids will be rejected	We state that the bidders may have issues/concerns with respect to certain non-standard terms and conditions on which it may wish to propose alternate language / alternate position in its proposal. We understand that upon being selected as the successful vendor, there will be discussions and negotiations on the applicable terms and conditions, pricing and scope of work. Hence, bidders must be permitted to propose alternate language / alternate terms in their proposal. Bidders submitting their bids with alternate language / terms should not be a ground for disqualification of the proposal.
17	Confidentiality	Bidder shall keep confidential any information related to this tender with the same degree of care as it would treat its own confidential information. The Bidders shall note that the confidential information will be used only for the purposes of this tender and shall not be disclosed to any third party for any reason whatsoever	We state that the technical and commercial proposal submitted by the bidder constitutes its proprietary and confidential information including the solution design, the delivery and implementation mechanism, prices of the various components. Hence, the Customer must keep bidder's technical and commercial proposal and other information shared by bidder as confidential and must not use the same for any purpose other than this project for evaluation of the bid. Thus, the confidentiality obligation must be made mutual.
18	Issue of security deposit	Successful bidder will have to execute an agreement on a Non-Judicial Stamp of appropriate value within a period of 15 days from the date of issue of Work Order and deposit security prior to signing of agreement	We understand that upon being down selected, there will be discussions between the successful vendor and customer on the applicable terms and conditions, scope of work and the pricing. Upon reaching a mutual agreement the parties will execute a written contract documenting this understanding. Hence, we propose that the security deposit / PBG should be required to be submitted within a reasonable time period of execution of a written contract.

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
19	Term of security deposit / PBG	Security deposit/PBG will be valid for certain number of days beyond the contract period	We propose that the security deposit/PBG should be valid only during the term of the contract.
20	Arbitrator	the arbitrator will be the Principal Secretary/ Secretary (as the case may be), Department of IT&C or any Officer as designated by the State Government, to be named in the contract, whose decision shall be final	We propose that the arbitrator shall be jointly appointed by both the parties.
21	Indemnity	The bidder shall be vicariously liable to indemnify the Purchaser in case of any misuse of data/information by the bidder, deliberate or otherwise, which comes into the knowledge of the purchaser during the performance or currency of the contract or due to any breach in the applicable laws. The Bidder shall indemnify the Purchaser against all third party claims of infringement of patent, trademark or industrial design and intellectual property rights arising from the use of equipments and services or any part thereof.	We state that the Customer need not suffer liability/damages in the event of a third party claim that - (a) the services provided by the successful bidder violates its IPR; (b) the successful bidder has breached its confidentiality; or (b) the bidder has breached the applicable laws relating to its business/ performance. Whenever the Customer received such a claim, its sole obligation is to inform the successful bidder of the claim and then ask the successful bidder to take over control of defense and settlement of the claim. We propose the following language - "The successful bidder will defend/settle all third party claims of losses, damages alleging that - (a) bidder branded products and bidder delivered services have violated its IPR; (b) bidder has violated its IPR; and (c) the bidder has breached the applicable laws relating to its business/performance under the agreement. The Customer will inform the bidder about the claim, provide reasonable co-operation and will provide the bidder the sole right to defend or settle the claim."
22	Change Order	Change Order will be applicable only to changes required after 6 months after Go-Live of the	We propose that any change to the mutually agreed scope of work or deliverables must be carried out through a change management process.

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
		solution	
23	Termination for cause & its effect	Customer may terminate the contract in the event the bidder commits a breach in the performance of its obligations. In the event of termination, Customer will have no obligation to make any payment to the bidder.	Termination should be carried out in the event of a material breach in obligations and after providing the breaching party a reasonable opportunity to cure such breach. We propose the following termination for cause clause - "A party may terminate the contract for breach with a written notice of a mutually agreed time period in the event the other party commits material breach of the agreement and fails to cure such breach within 30 days of receipt of a written notice for cure from the other party stating the specific breach that is required to be cured." Further, in the event of termination for cause, Customer should pay for products and services that have been delivered till the effective date of termination. We propose the following sentence as effect of termination for cause - "Upon termination for cause, Customer will pay for all products and services that are delivered till the effective date of termination of the agreement"
24	Unilateral termination for insolvency	The purchaser may at any time terminate the contract by giving written notice to the bidder, without compensation to the bidder, if the bidder becomes bankrupt or otherwise insolvent provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser	We propose mutuality of this termination for insolvency clause

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
25	Stamp duty for execution of agreement	The bidder shall pay the expenses of stamp duty for execution of agreement.	Bidder and Customer will equally bear the stamp duty of execution of the agreement
26	Source Code & IPR for applications to be transferred to Customer	The ownership of the source code of the application developed by the Bidder under e-District, Rajasthan should be transferred to RajCOMP/GoR and also the Bidder is not supposed to use the same for any other Government projects without the prior written consent of RajCOMP	We propose that - "IPR of the applications that are being developed/deliverables will be with the bidder. The bidder will provide Customer a worldwide, non-exclusive, fully paid, royalty-free license to use, display, execute, reproduce, and distribute copies of such applications/deliverables for its internal use for the project. Bidder will execute an escrow agreement with the Customer as per its escrow terms for release of the source code in the event of the bidder becoming bankrupt or winding up its business."

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
27	Warranty / Guarantee	<p>The bidder would give comprehensive onsite warranty/guarantee that the goods/stores/articles would continue to conform to the description and quality as specified for a period of three years on hardware from the date of delivery & installation of the said goods/ stores/ articles to be purchased and that notwithstanding the fact that the purchaser may have inspected and/or approved the said goods/stores/article, if during the aforesaid contract/ project period on hardware, the said goods/ stores/ articles be discovered not to conform to the description and quality aforesaid or have determined (and the decision of the Purchase Officer in that behalf will be final and conclusive), the purchaser will be entitled to reject the said goods/ stores/ articles or such portion thereof as may be discovered not to conform to the said description and quality, on such rejection the goods/articles/ stores will be at the seller's risk and all the provisions relating to rejection of goods etc., shall apply. The bidder shall if so called upon to do, replace the goods etc.,</p>	<p>We state that third party hardware have OEM manufacturers' warranties. Since they are not manufactured by the bidder, bidder will only be able to pass-on the warranties offered by the OEM manufacturers. We propose the following warranty language on such products - "Bidder shall pass on to the Customer the manufacturers' warranties on third party hardware and software". We also propose that once the Customer has accepted a product it should not reject such product on grounds of non-conformity with the description/quality and the bidder should not be required to replace any hardware on such grounds.</p>

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
		<p>or such portion thereof as is rejection by Purchase Officer, otherwise the bidder shall pay such damage as may arise by the reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of the Purchase Officer in that behalf under this contract or otherwise. In case of machinery and equipment also, guarantee as mention above the bidder shall during the guarantee period replace the parts if any and remove any manufacturing defect if found during the above said period so as to make machinery and equipments operative. The bidder shall also replace machinery and equipments in case it is found defective which cannot be put to operation due to manufacturing defect, etc.</p>	
28	Limitation of Liability	<p>RFP either do not have any limitation of liability language or have non-standard limitation of liability language with multiple exclusions from the liability cap that defeats the very purpose of having a limitation of liability</p>	<p>We propose the following two options on limitation of liability: Option 1: The aggregate liability of the vendor should not exceed the price paid by the Customer for (a) the product that is the subject of the claim, (b) the support during the period of material breach up to a maximum of twelve months; or (c) the professional service that is the subject of the claim. The vendor's liability for loss of life or physical injury due to gross negligence or willful misconduct shall be unlimited" Option2 : The aggregate</p>

S.No.	Description	Clause in the Existing RFPs	Proposed by HP
			liability of the vendor shall be as follows - "(a) During the implementation period, the total liability of the bidder shall not exceed the total amounts received during the implementation period; and (b) during the support period, the total liability of the bidder shall not exceed the price paid by the customer for the support during the period of material breach up to a maximum of twelve months. The vendor's liability for loss of life or physical injury due to gross negligence or willful misconduct shall be unlimited"
29	Exclusion of indirect/consequential damages from liability	May RFPs require bidder to take liability for indirect/consequential damages	Under the contract laws of India, a party cannot claim indirect or consequential losses or damages from the other party. Hence, the RFP should state that neither party should be liable to the other party for any indirect/consequential losses or damages.
30	Implementation of changes in scope of work, deliverables during contract period due to changes in applicable laws	Many RFPs state that the bidder must execute any change in the scope of work, deliverables that are required due to a change in the applicable laws at no extra cost to the Customer	We state that the scope of work, hardware, software, services and deliverables that are proposed will be in compliance with the applicable laws as of the date of submission of the proposal. However the bidder is not aware of and cannot make an estimate of the change that may occur in the applicable laws during the contract period and hence cannot estimate the effort estimate and impact on the pricing/costing. hence if any change in the scope of work, products, software, services or deliverables are required due to a change in the applicable laws during the project period, the same will be mutually discussed and agreed and will be carried out at additional pricing through a change management process.

Schedule D: Tata Consultancy Services

Terms Prevalent in RFPs Today	Proposed Change	Justification & Remarks
<p>Bidder's company data is sought in all RFPs repetitively, including all RFPs of the same customer.</p>	<p>DIT should create a centralized system for bidders to create their "UID" for bids where all corporate data can be captured once and referred to in all bids. Once bidders created their UID, they should be allowed to upload changes as necessary using digital signature.</p>	<p>Elimination of submission of corporate data in every bid will reduce bid effort and errors of both bidders and the customer. It will also save paper. UID and digital signatures will ensure authenticity and control.</p>
<p>Most RFPs mandate submission of corporate documents in the format given in the RFP (e.g. Power of Attorney).</p>	<p>Bidders, being national and international companies of repute, should be given the flexibility to submit such documents in the manner these exist in the company.</p>	<p>All companies of repute are governed by their internal policies and directives of their Board.</p>
<p>Many bidder queries in corrigendum are answered by "as per RFP".</p>	<p>The fact that a query has been asked implies unclear requirements. Answers to queries must explain the point in question in more detail.</p>	<p>Unclear requirements will increase the project risk and cost. They will also create a disparate system where certain items are clear to some bidders and not to others.</p>
<p>PSUs are given preference in some tenders.</p>	<p>PSUs must not be given preference in technical evaluation or price. An equal method of evaluation should be followed for the best solution and price. If a PSU product is in the BOM, it must not be allowed to bid.</p>	<p>Free & fair competition is the basis of a government tender. If preference is given to PSUs, there is less motivation for private companies to bid.</p>
<p>Many RFPs ask for committed resource profiles. These are besides past experience credentials shown by bidders.</p>	<p>Past project references and other credentials should be sufficient to demonstrate bidder's capability to execute the project. Only sample profiles should be asked</p>	<p>Resources in IT companies are always assigned to different projects. Secondly, government tenders take time to conclude. As such,</p>

Terms Prevalent in RFPs Today	Proposed Change	Justification & Remarks
	for.	committed resource profiles are impractical at the time of bid. Moreover, it is the organization's capability, past project experience, commitment and quality of the bid which should be more important for the customer, rather than profiles of individuals.
QCBS model of selection is used only selectively, thereby depriving customers of the most suitable technical solution for the long term.	QCBS model of selection, with higher weight to technical, must be made mandatory for all RFPs for all bidders to propose the best technical solution. Weights for technical and financial scores should be standardized.	Projects need to work for the long term and in the interest of the department and the country. Procuring a sub-optimal solution at a lower price will never fulfill this goal.
Scope areas are ambiguous in many RFPs and the risk of interpretation is passed on to the bidder.	Scope must be clear in the RFP and further clarified in the corrigendum. This will allow all bidders to propose the right solutions and right cost. It will also reduce issues due to different interpretations in delivery by the customer and the selected bidder.	Unclear scope results in bids having wide pricing gaps between bidders. Not only does this become an issue in the evaluation process, it also creates risks in delivery due to scope interpretations.
Many RFPs contain open-ended scope stating bidders will have to comply with changes in policy, guidelines, user requirements, etc.	Scope must be close-ended so that the right cost can be proposed. Anything unclear to the customer at the time of the bid must follow the Change Control process at extra cost.	Without a clear and capped scope, the bidder's price is always at risk due to no fault of the bidder.
Large projects have great scope of ambiguity on various fronts.	Workshop with bidders should be held for explaining broad contours of the project before issuance of the RFP.	This will help minimize project ambiguities resulting in reduce number of pre-bid queries.
Many RFPs demand SI to implement whatever are the current best practices elsewhere in the world. This	As part of RFP process, the industry practices relevant to government processes must be defined clearly.	It is very critical that scope of work is not left to interpretation to minimize cost differentials for solutions

Terms Prevalent in RFPs Today	Proposed Change	Justification & Remarks
is major source of ambiguity in scope.		provided by different SIs.
Many RFPs contain specifications that favor certain OEMs.	RFP specifications should be open to allow OEM flexibility to the System Integrator. This will allow the SI to provide the most optimal solution.	Although SI makes the investment and bears all project risks, OEM-specific terms limit the SI's options and give a bigger leverage to OEMs to sell at higher cost. This neither benefits the SI nor the customer.
RFPs generally use "sizing is minimum and for indication only". This brings ambiguity in the proposal.	RFPs should provide estimated workload and leave to SI to propose sizing of the infrastructure.	This approach will help optimize the cost of the solution.
For large projects, often a POC is required for technical evaluation. This involves high expenditure for bidders, and has dependence on OEMs who have to loan their products.	POC should be separately conducted by the customer and paid for as a fixed amount to be kept the same for all bidders.	POCs are expensive and bidders have total dependence on OEMs for their products. In many cases, it is difficult to make them agree for such expenditure before a contract is signed.
Acceptance criteria are not clearly stated, ambiguous or open-ended. Often, bidder is subjected to obtaining sign-off from many individuals.	Acceptance criteria must be clear so that bidder's payments are not subjected to interpretations and discretion of officials. Assurance of payment to bidder must be made an integral part of all RFPs.	Assured payments based on well-defined acceptance criteria, period of acceptance and the method followed will reduce bidder's risk and allow them to offer better price to the customer.
SLAs, their method of calculation and penalties are unique for every bid.	SLAs can be standardized based on the nature of work. Specific categories of bids can be defined for this purpose.	Standardized method SLA definition and measurement.
SLAs define penalty points but no credit is given for exceeding SLAs.	RFPs should include bonus points for exceeding SLAs so that SI vendors get incentives to meet and exceed performance levels.	Bonus points will become an incentive for bidders to perform better in delivery, thereby benefitting the customer.
Many RFPs require support over many years (e.g. 10 yr),	RFP should be restricted to only implementation and warranty	It is unrealistic to quote for a period of 10 years or so, as not

Terms Prevalent in RFPs Today	Proposed Change	Justification & Remarks
and the cost of support is included in deciding the winning bid. But in many cases, the PO is restricted to warranty support. Some bidders take advantage of this and quote very less to win the project, as there are no clear guidelines on quality of support over the life cycle of the system.	period. Also, SLAs for AMC must be stated clearly.	even OEMs will have visibility of technology changes and support availability for such long tenures.
Direct liability exceeding contract value, or unclear direct liability clause in the RFP.	Direct liability clause with maximum direct liability not exceeding contract value paid to the bidder must be clearly stated as a standard term.	Bidder should not be held liable for direct damages for amount exceeding what has been paid. RFP would also have a liquidated damages clause for penalty to be paid by bidder for default.
Indirect liability for consequential, punitive and special damages on the bidder, or missing or incomplete indirect liability clause in the RFP.	RFPs must have a standard indirect liability clause in the RFP that absolves the bidder from indirect damages.	Indirect liability could include open-ended liability towards business loss of the customer. Bidder cannot be held liable for those.
RFP terms do not clearly state that bidder's pre-existing IPR will not be transferred to the customer.	RFPs must have a standard clause that excludes pre-existing IPR of bidders from transfer to the client. Only newly developed IPR should be transferable to the client.	Pre-existing IPR of any entity can never be transferred to another entity. Moreover, government's objective is to merely retain the source code so that the application can be supported even after the present bidder's contract is over.
Many RFPs have a sole arbitrator clause in which the arbitrator is assigned by the customer.	RFPs should have a standard arbitration clause in which each party can appoint an arbitrator and the two arbitrators select the third.	This is standard practice in any contract between two parties.
Warranty clause in many RFPs does not have any exclusion.	Warranty clause have standard clause to exclude bidder's liability	Bidder cannot be made liable for a deliverable which has

Terms Prevalent in RFPs Today	Proposed Change	Justification & Remarks
	in the event that: (a) deliverable is modified without the bidder's consent; (b) deliverable is not used in accordance with the accompanying documentation or otherwise than for the purpose for which they have been developed/supplied; (c) deliverable is used in combination with other products or systems which are not approved by bidder; (d) defects in components or material provided to bidder by customer.	been used or misused in an inappropriate manner.
Most government customers do not have a process defined to negotiate and alter legal terms.	DIT/government should define a system that allows the flexibility to alter terms published in the RFP. Such negotiation could be done with the selected bidder.	Legal terms need to be balanced for both parties entering into a contract.
Legal terms in RFPs	DIT should request a neutral party like NASSCOM to create standard terms and conditions with industry participation and inputs.	Government RFP terms are currently one-sided and need to be more balanced for both parties.
Risk of change in tax rates during the contract term is on the bidder.	Taxes should be applicable on actual.	The government, and not bidder, controls taxes.
Risk of new taxes introduced during the contract term is on the bidder.	Taxes should be applicable on actual.	The government, and not bidder, controls taxes.
Some RFPs require bidder to submit tax submission proof, and only then the payment of the tax part of the invoice will be released.	Bidders should be allowed to submit a letter certifying that we honor our tax obligations. This should be acceptable since the onus of tax and statutory compliance is on the bidder.	Companies file consolidated tax return submitting sets of invoices for which tax return is being filed, so picking out specifically linked tax obligation linkage to each invoice is not possible at all.
Deployment and SLA penalties either do not have a	All penalties must have a maximum cap as a percentage of	Not having a cap, or having penalties that exceed the value

Terms Prevalent in RFPs Today	Proposed Change	Justification & Remarks
maximum cap or the cap is on total contract value.	the value of that deliverable or milestone.	of the deliverable/milestone, impact bidder's overall financial model even though the fault may lie in a specific area for a limited period of time. As a result, it gets levied on past and future delivery also.
SLA penalty is applied cumulatively on each incident of failure.	SLA penalty must not be applied cumulatively by counting each equipment that has failed due to a single problem.	A single problem may impact multiple hardware and software, but since the problem is one, penalty must be applied once.
In most RFPs, if not all, SLA penalties are applied on contract value for a period or the full term without exceptions.	SLA penalties must be applied on services only, and not on capex items already supplied and (most likely) owned by the customer.	Capex items (e.g. equipment) are fixed items, whereas default for penalties is due to the quality of services being rendered by the bidder.
Every RFP has a unique commercial bid format.	RFPs can be categorized into few types and commercial bid formats standardized for them.	This approach will reduce the bidder's effort in creating the bid, customer's effort in evaluation and errors by both parties.
EMD is required in demand draft form in many RFPs.	EMD must always be a bank guarantee only.	Objective of the EMD is to penalize bidder in case of default in the bidding process. However, demand draft unnecessarily forces bidders to block the EMD amount even if they do not default.

Schedule E: L&T Infotech

1. RFPs need to be broad based
2. Once empanelled for the target delivery, further Pre-Qualification to be avoided
3. Shall be such that Vendor credentials are adequately ascertained
4. Shall include the number of projects delivered completely – even if there had been a time over run of a maximum of one year
5. As far as possible, rather than looking at blacklisting of companies, RFP shall check on if all major projects listed by a company under any Pre-Qual were already completed to the stated requirements of the listed project as per the initial requirements published in those RFPs / Work orders. This will help in keeping out the scope creep irrespective of the client organization demands
6. The number of user feedbacks may be obtained / elicited in the Pre-Qual from the person who is a direct user or the authority who had initially issued the work order
7. Any public service which was to have started by a date and delayed beyond a year may be listed under non-deliveries until a complete acceptance by the Ordering Authority of the earlier work order shown as Pre-Qual condition
8. All RFPs shall state the delivery items to the last detail upfront in the RFP itself under a clear heading as to project deliveries, irrespective of whether or not the said requirements are listed elsewhere, which may be ignored by any person
9. All RFPs shall indicate that the delivery items location – wise including details of the local site readiness to receive, the person or officer who shall receive and certify the receipt and the essential items for certifying the receipt
10. All RFPs shall in turn ensure that post a successful and accepted / certified delivery, all payments are completed to the supplier to the extent of 90% retaining only the 10% as security money for a warranty period completion
11. RFPs shall not mix hardware and software items together for making delivery payments as the two are independently sourced and ensure that all suppliers are directly bound to the project deliveries to the extent of their technical deliveries with a cap on the liability as well fixed at the said amount of their deliveries. [No organization worth its name shall risk its name and money in a poor delivery in these hard times and better customer awareness, while at the same time looking towards speed of implementation from all stakeholders concerned]
12. RFPs shall also state that the enabling G.Os with numbers and project funding as already provisioned are already approved
13. RFPs shall indicate that the conditions of deliveries are such that they are delivery friendly and may encourage as many local vendors and suppliers as possible with the result that the successful bidders eagerly completes the deliveries and happy to be a part of the delivery team of the government rather than seeking an escape route at the first opportunity, since all deliveries in Government are to be continued for a longer period than in any private commercial engagement
14. RFPs shall have a uniform standard format and ideally be having a limited number of standard sections and tables with which a bid can be prepared by a prospective bidder and always restricted to a 100 pages. Often the RFPs contain many repeated items which are increasingly confusing to a bidder. Instead RFPs can specify the exact project deliveries in one section which is in itself a crisp list of deliverables with sufficient detail and shall not be added in scope-creep without Change Requests.

15. Limitation of liability clause to be incorporate.
16. Cap on LD & penalties amount

Schedule F: SAP India

Listed below are our inputs related to some areas which in our view may require standardization / shared understanding with the customer releasing an RFP for an IT project, which may have a play for any software product / packaged applications.

S. No.	RFP Clause/Area	Remarks
1	Manufacturer Authorization Form / OEM Authorization Form	<p>Area of Concern: Many MAF's asked for in the RFP's deviate from the essence of what a MAF ideally should be, and also pushes the OEM into a blind corner over many issues related to support policies of an OEM, which are a zero tolerance zone.</p> <p>The mandate of the MAF is should be limited to:</p> <ul style="list-style-type: none"> • Allowing only an Authorized Partner of OEM to bid • Extension of standard warranty terms from OEM • Extension of standard support terms from OEM • Authorizing partner to quote, negotiate and conclude in its behalf. <p>The MAF is certainly not the right instrument to elicit an OEM's involvement in the implementation process. There are other ways and means to do so. (PI refer OEM Interventions, Sl. No:)</p> <p>Standard MAF of SAP Enclosed.</p>
2	OEM Interventions / OEM Liability for the Success of the Project	<p>Recommendation: The tender, in addition to the MAF, in some cases have asked for the OEM to be liable for the success of the project. Our view is that, a customer as a risk mitigation measure can ask the SI to provision for, or get into an understanding with the OEM to provide OEM interventions / support that is able to cover the implementation risks to the extent required by the customer. The interventions can certainly be clearly defined by the customer in the RFP.</p> <p>Examples of where the OEM intervention can be asked for is:</p> <ul style="list-style-type: none"> • Audit and review services across the major milestones in the implementation process. This could potentially address issues relating to:

S. No.	RFP Clause/Area	Remarks
		<ul style="list-style-type: none"> • project management, implementation road map, key deliverables of the phase, and critical success factors • application design and business process parameters • analysis of the technical implementation components and operational procedures, such as security, backup, performance management, printing, and desktop operations • adherence to proven standards such as upward compatibility • Quality Management. This could potentially help with: <ul style="list-style-type: none"> • identifying potential area for performance improvement of the core business processes, technical stability of the ERP solution, data consistency and stable operation of critical interfaces and operations readiness • identifying potential areas for optimization (continuous improvement) of SAP Software solution • Specialized consulting related to address potential bottlenecks in solutioning • Technical support to help in: <ul style="list-style-type: none"> • Minimizing business disruption from unplanned downtime, performance bottlenecks etc. • achieving increased availability and system performance • improving data consistency • continuous improvement
3	Credentials related to Qualification Criteria and Evaluation Criteria	<p>Recommendation: The credential that are being submitted by the OEM/SI should be governed by the following guidelines:</p> <ul style="list-style-type: none"> • Customer certificates should be signed only by Authorized Signatory and should be stamped • Email's from customer should be made acceptable provided all contact details of the sender are provided in the Email Signature • In case self-certificates from OEM's, the said certificate should be signed by the Authorized Signatory and duly stamped.
4	Warranty and AMC/Support for	<p>Area of Concern: These two terms are often confused</p>

S. No.	RFP Clause/Area	Remarks
	Software Products / Packaged Applications	and used interchangeably in many RFP's with regards to software products / packaged applications. In case of software products, it is important to note that, both AMC and Warranty commence on the day of the signing of the license agreement. The scope & period of the warranty is covered by the provisions of the End User License Agreement and AMC is charged on an annuity basis from Day One. Warranty is NOT in lieu of AMC.
5	OEM Bill of Material	Recommendation: The RFP should mandate that detailed OEM bill of material is included in the technical response.
6	Joint & Several Responsibility	Area of Concern: This is NOT acceptable to SAP. Also refer related comments in SI. No. 2
7	L1 Vs. QCBS	Recommendation: We would like to recommend that for projects that do not have many historical and successful references, or where a price discovery process based solely in commercials may not yield the project objectives, a Quality Cost Based Selection should be adopted by the customer.
8	Evaluation Rigor	Recommendation: Even in the case of an L1 bid, it is highly recommended, that a threshold of technical qualification be further fortified by a rigorous requirement of a no commitment, no cost basis POC (proof of capability, Demo's etc. of the solution proposed)
9	Strategic Control	<p>Recommendation: In order to exercise strategic control over projects which are typically BOO/BOOT, it is highly recommended that the following disciplines/measures be adhered to ensure favorable project outcomes. Examples being:</p> <ul style="list-style-type: none"> • Processes & tools for change management and contingency management (to take care of change failures) Tools for automating change control • Tools for automating change control processes, transfer of change from development to staging to production environments • Process & tool for authorization and control of administrator credentials like signatures/ passwords • Process for defining roles and responsibilities within the system and related checks &

S. No.	RFP Clause/Area	Remarks
		balances to ensure adherence <ul style="list-style-type: none"> • Tools for automatic logging of a detailed audit trail of all the actions of all the actors etc.
10	Country of Origin Certificate	Input for Standardization: Certificate acceptable to SAP Enclosed
11	IPR Certificate	Input for Standardization: Certificate acceptable to SAP Enclosed
12	Non-Malicious Code Certificate	Input for Standardization: Certificate acceptable to SAP Enclosed
13	Patent Rights Infringement Certificate	Input for Standardization: Certificate acceptable to SAP Enclosed

Manufacturer’s Authorization Form

Date: ##.##.####

To,

#####,
#####,
#####,

Dear Sir,

Ref: Tender No. #####,

We SAP India Private limited, having our registered office at Wing – A, 2nd Floor, Tower – B, “Salarpuria Softzone”, Sarjapur Outer Ring Road, Bellandur Post, Bangalore - 560103, state that our parent company, SAP AG is the official producer of the SAP Software. SAP India Pvt. Ltd. has its production facilities at 50, Mohabewala Industrial Area, Saharanpur Road, Dehradun - 248001. We SAP, do hereby authorize **M/s #####,** having its office at **#####,** to offer their quotation, negotiate and conclude the contract in relation to grant of SAP Software license with you as per terms of our standard End-User License Agreement against **Tender No: #####,**

Yours faithfully,

For & on behalf of
SAP India Private Limited

Name: #####,
In the capacity of: #####,
Signed:
Duly authorized to sign the Authorization for and on behalf of:
SAP India Private Limited
Date: #####,

Country of Origin Certificate

To,

#####,
#####,
#####,
#####.

Ref: Tender No: #####

Dear Sir,

This is to state that the copyright for SAP Software products are solely owned by SAP AG. The country of origin for SAP Software product is Germany.

This is for your information and record.

For & on behalf of
SAP India Private Limited

Name: #####,

In the capacity of: #####,

Signed:

Duly authorized to sign the Authorization for and on behalf of:

SAP India Private Limited

Date: #####

IPR Certificate

To,

#####,
#####,
#####,
#####.

Tender No: #####

Dear Sir,

We, SAP India Pvt. Ltd., do hereby confirm and certify that our parent company, namely, SAP AG, a German corporation and its licensors hold all intellectual property and ownership rights on all SAP Applications proposed to be licensed to **<Customer Name>** as per our bid / proposal under the aforesaid **<Tender Name/Number>**

For & on behalf of
SAP India Private Limited

Name: #####,
In the capacity of: #####,
Signed:
Duly authorized to sign the Authorization for and on behalf of:
SAP India Private Limited
Date: #####

Non-Malicious Code Certificate

To,

#####,
#####,
#####,
#####.

Ref: Tender No: #####

Dear Sir,

We hereby certify that as on the date of this letter, we confirm that we have taken reasonable steps to ensure that the SAP Software proposed to be licensed by ##### is free from Computer Virus at the time of delivery does not contain any kind of Computer Virus that would activate procedures to:

- I. Inhibit the desired and the designed function of the equipment.
- II. Cause physical damage to the user or his equipment during the operational exploitation of the equipment.
- III. Tap information regarding network, network users and information stored on the network that is classified and / or relating to National Security, thereby contravening Official Secrets Act 1923. "Computer Virus" is defined as a computer program attached to or a section of code hidden within the Software that performs a function unauthorized by the Software's published Documentation which adversely affects Licensee's computer systems.
- IV. We have taken reasonable steps to ensure that there are no Trojans, Viruses, Worms, Spywares or any malicious software on the system and in the SAP Software proposed for the project.
- V. Subject to the terms of our End User License Agreement with #####, We will be responsible for the remedies as provided in the EULA

The above certification will be subject to SAP's standard End User License Agreement ("EULA") to be executed between us and #####

For & on behalf of
SAP India Private Limited

Name: #####,
In the capacity of: #####,
Signed:
Duly authorized to sign the Authorization for and on behalf of:
SAP India Private Limited
Date: #####

Patent Rights Confirmation Certificate

To,

#####,
#####,
#####,
#####.

Ref: Tender No. #####

Dear Sir,

1. We do hereby confirm that to the best of our knowledge SAP Software being provided by us is not infringing on any registered patent or copyright as per the applicable laws of relevant jurisdictions having requisite competence.
2. In the event of clam being made against you “#####” for liabilities arising from third party claim in this regard, SAP will indemnify ##### against all cost/claims/legal claims as per the terms of the SAP’s standard End User License Agreement (“EULA”) to be executed between us and #####. You will also be entitled to the remedies set out in the EULA with regards to any interruption on account of the infringement as contemplated above and this remedy shall be sole and exclusive remedy intellectual property.
3. The terms of SAP’s standard EULA shall always prevail over any other terms and conditions between the SAP and ##### relating licensing of SAP Software.

For & on behalf of
SAP India Private Limited

Name: #####,
In the capacity of: #####,
Signed:
Duly authorized to sign the Authorization for and on behalf of:
SAP India Private Limited
Date: #####

Schedule G: Hewlett Packard (Sample RFP Feedback)

Observations on RFP in general and Expectation / Problems Faced In All the States –

1. There are no firm Solution and Bidding guidelines/common template related to Solution Design, Product specifications for any of the hardware in tenders across all the states. This results in all sorts of problems e.g.
 - a. Rise of tactical specing to include points in RFP which might serve only to keep an OEM out,
 - b. Issuance of multiple corrigenda leading to confusions of what is the final and how it has to be interpreted.
 - c. This leaves each SI free to interpret the modification as he feels is ok.
 - d. Thus you see Price bids in great variance at times the difference between the L1 and highest bidder is by a factor 3.
 - e. Delayed timelines for bid submission,
 - f. Discomfort among the OEMs and System Integrators due to unstructured specifications and hence unstructured commercials. F
 - g. Other big issue of preparing multiple information formats, each being different for each state even for same Line of Ministry projects.
 - h. Re – tendering.

As the result the award of RFP is delayed and SoW unclear. Few States are still struggling to implement the SWAN which was the first phase of NeGP Plan.

2. Even for same MMP or eGOV project, there has been different solution stacks (in terms of both infrastructure and application) from state to state although Business Requirement and the Organization Structure is same for the Line Ministries' of respective states. Such variance, thereby, leads to lot of discrepancies and road blocks in the successful implementation.

Just to cite an example, in JNNURM projects there are many municipal corporations under one state. There is same processing structure for citizens across the state but different RFPs content and formats from different Municipal Corporations leads to confusions amongst the SPOCs responsible for RFP response and subsequent implementation. It seems JNNURM projects are also thinking to have some model application stack and model RFP which can be replicated across all the Municipal Corporation of the same state. However it should also be done for all the states.

3. It is often found that Specifications which vendor do not intend to propose / provide, are included into the RFP/Specification. These are used as tactical means to block specific vendor or their products from being offered. Therefore it must be ensured that any specifications included into RFP for HW/SW must be proposed and used in the direct deployment of Project's business goals. Often OEMs include a tactical specs and hide the price impact. Thus RFP must either avoid such specing OR ask SI to offer a solution where he explains how such and such feature is gainfully deployed + alongwith HW/SW/License/or other associated costs. Otherwise, what is the point of writing them in the RFP?

Expectations from this workshop:

Care should be taken of not letting such a discussion shape into tactical specing session. Forward looking workshop would be most useful.

The discussion should be driven to focus on need of the project from functional view and how to deliver the technical infra using components like:

☑ Compute, storage, networking, management, security elements, RDBMS, EMS/NMS and finally ISV solutions or Custom developed solutions.

☑ Product features, roadmaps, integration issues, ease of configuring and usage should be left for SI and should not be part of RFP.

☑ Create a set of guidelines and templates for each aspect of RFP e.g.

- o Template for WAN, LAN, Security etc.

- o Template for Virtualized server farms.

- o Template for DB servers complete with Backup and Clustering.

- o Data protection templates with 2 or 3 way DR and RTO, RPO definition.

- o Template for EMS/NMS etc.

- o Template for upgrade and refresh of technology.

- o Template for Project Management & Program Office.

e.g. In designing compute architecture, one of many areas we can focus on is a frequently used technology i.e. Virtualisation – so the question is how much of this is good enough i.e. whether core category servers need to be virtualized, if yes, what is max VM count from the view of easy operational management by staff skill of the SI vendor/ Department?

Workshop should also focus on:

- o How does RFP/EoI ask for innovations e.g. ability to move / replace servers within chassis without going to hassles for re-doing IP and WWN?

- o Technical and Procurement T&C of RFP should allow incorporation of roadmapped/ new innovation in solution/ products being offered as RFP response. This will provide better usage.

- o Modularity of HW design & Investment protection of HW procured by enabling In-Box Technology Upgrade with Maximum scope to re-use of existing HW & SW

- o How should we plan to buy storage components and software – based on capacity/ performance/ software features/ cache count/ port count/detailed specing which slowly converts into tactical specs?

- o Where do rack servers fit in and where do blade servers fit in?

Creation of Topic wise template/ solution approach –

1. Creation of common template for given type of Solution e.g.

- a. Template for WAN, LAN, Security etc.

- b. Template for Virtualized server farms.

- c. Template for DB servers complete with Backup and Clustering.

- d. Data protection templates with 2 or 3 way DR and RTO, RPO definition.

- e. Template for EMS/NMS etc.

- f. Template for upgrade and refresh of technology.

- g. Template for Project Management & Program Office.

- h. Etc.

2. Back these Templates with -- MUST have technology features and NICE to have technology features

3. This should be made in consultation with all the major OEMs in order to avoid any discrepancies at the state level have some sort of control point at DIT.

4. Since MMPs are application driven RFPs, hence let SIs be given the freedom to choose the hardware solution based on the minimum specification laid down under one template.

Example from Industry: APDRP SRS template format has been one of the best models of specification guidelines providing the equal opportunity for all the major OEMs to participate. We can refer the same concept but it should be done only after due deliberations and discussions with all the Major OEMs.

Few other suggestions to keep in view are:

1. Since, Data needs to be converted into information RFP should also seek /ask inputs for creation of Project specific Analytical and DW solution as part of upcoming MMP EoI/ RFP.

2. With emergence of need specific Appliance seen in few domains e.g. mail and BI solutions, this workshop should also consider their inclusion in its Vision section.

Input as an OEM:

Legal challenges/Revenue Recognition challenges:

1. IPR in name of customer to be avoided. E.g. asking OEM to provide source code / keeping source code in escrow account etc. HP Legal does not approve this.

2. Support certificate for Products: Tender should ask for support certificate of maximum 5 years. Providing support certificate for duration beyond 5 years has revenue recognition challenges and not easily approved by legal /region. (Support beyond 5 years can be attained thru tech refresh)

Avoiding Tactical Spec building:

Since various MMP programs and eGov programs would be having different Operational requirements, Budgets, Design and Roll out considerations, hence it would be worthwhile to classify solution design types which can serve as guideline across MMP and eGov projects. The objective being that a MMP project can be designed by using the guidelines. These guidelines can be for Product features/ Integration of product with other elements/support guidelines.

Sample Guideline/ Template:

☐ Compute platform design types:

o Heavily virtualized compute platform design for non-production modules of Application.

☐☐ Unix/ x86 - Virtual CPU / CPU Core sharing across partitions acceptable.

☐☐ Unix/x86 - Virtual IO / Non-Direct IO across partition acceptable

o Moderately virtualized compute platform design for App/Web server type of roles.

☐☐ Unix - Dedicated CPU Core allocation per Partition

☐☐ X86 - Virtual CPU / CPU Core sharing across partitions acceptable

☐☐ Unix - No memory virtualization/compression Technology is applicable, which is known to have high overhead

☐☐ Unix/x86 - Disk IO – Direct or NPIV implementation only (No Virtual IO)

o Non – Virtualized compute design for core modules.

☐☐ Unix - Dedicated CPU Core allocation per Partition

☐☐ Unix - Direct Disk IO with dedicated IO Adapters per partition ONLY

☐☐ X86 – dedicated server box, with no virtualization

☑ Data and its protection can be addressed by following design types:

- o Projects needing Extreme Data Protection to mandatorily have solution designed for with 3-way DR + full backup everyday for core modules.
- o Projects needing Moderate data protection can be designed with standard 2-way DR and flexible backup policy for daily/ monthly schedules.
- o Functionality Template for such designs can be created and shared through this RFP.
- ☑ Design guidelines for dedicated elements of project e.g. core LAN communication, Monitoring and control software, data restore and DR management component can also be similarly templatised.

In order to build any design, this workshop must layout:

- ☑ Definition of Core and Non Core building blocks/ equipment
- ☑ Define MUST have and NICE to have features in products and solution.
- ☑ Allow some leeway in specs to incorporate the new innovation in terms of hardware and software (subject to discussions)

Inputs for avoiding tactical specing and creation of Templates/ Approaches:

Some of the issues which we face and resolution is needed are mentioned in the DIT mail e.g. varied scope and varied style of specing for the same set of projects.

As a possible resolution route, there should be slabs/ category of roles – and specs fitted for that role and workload.

Thus there should be features classified as -- MUST have and NICE to have.

- ☑ MUST have specs : ensure basic features while it should not be tactical to keep out a large OEM of that equipment (e.g. OEM who sells more than xxx units in international market).
- ☑ NICE to have specs : should allow leveraging new innovations by interested State/ Department. There may be technical weightage if desired.

There has to be a balance of both spec types at central/ state agencies.

1. While preparing the RFP, the specifications should be written such a manner that the similar class/band product can be offered by all the leading OEM for a one particular specs. Sometime mention of one specific feature cause other OEM to quote Enterprise class product while one OEM quotes midrange product. E.g if the solution required for a enterprise/midrange storage, the specs must be written in such a manner that every major OEM should be compelled to offer enterprise/midrange storage only.
2. For an Application driven projects while SI has liberty to choose the hardware based on their solution still there has to be a certain minimum specifications in place. So that there is some basic level checks are in place.

Servers:

Since most of the MMP projects are based on Linux/ Windows hence x86 is emerging as preferred platform. These are mostly deployed as DB/ App/Web/ Portal/LDAP/ Backup/EMS/Email ...

So, from product perspective there should be two categories:

1. DB servers/ Core servers – scalable to 8 proc. Atleast 2 large OEMs should have such an offering/ Look at past projects rolled across globe in relevant Industry segment, for references.

2. Chassis based blade with 2 proc for non core roles. Atleast 2 large OEMs should have such an offering.
3. Servers see a lot of play in terms of type of processor being asked for. Definition of processors should not be based on any Ghz etc as it become point of dispute and takes away a lot of time. (Not even all large OEM offer all clockspeed of a given processor type.) Instead it should be latest family with highest core count @ highest clockspeed + set a min core count for that server class.
4. Chassis definition and management features definition also become point of Tactical Specing and take away a lot of time in reconciliation. So they should be classified as MUST and NICE to have features with weightage allocated to them.
5. Some of guidelines are mentioned on section called Guiding factors, above.

Storage:

For a forward looking document it is necessary to consider new technology drivers for MMP centric Data Centers.

Storage technology evolution has made available -- scalable, multi-controller, multi-tenant storage designs which can handle unpredictable mixed load performance in autonomic manner. Such deployments are starting to be witnessed. The new storage should be virtualization ready- to be virtualized with any third party storage, to act as a single storage for easy management.

Thus, in order to allow continued and competitive inflow of storage technologies + leverage new prices, the RFP should target new product offerings.

The idea is to drive the specs based on value of data being stored in it + performance required.

Thus the Storage design should be driven by the business value of data being stored therein.

There can be two categories:

1. Where 3-way DR/ Zero RTO, RPO is mandatory with/ without high performance and capacity.
2. Where 3-way DR is NOT needed.

Once you have this focus on VALUE of DATA to be PROTECTED then, it becomes the question of which technology approach and consequently which product equivalence is correct/ preferred.

Similarly, the in requirement for SAN switch, SAN management software and Data Backup Software, there needs to be classification for -- MUST / NICE to have features. Example: Typically, HP gets bushed out on cache size, as result of a typical tactical specing.

Network

When considering Network specifications it should be based on the requirement. The type of products needs to be categorized based on which there should be minimum specifications defined in the Template. For example there should be minimum specification laid down for Core Router, Core Switches, Edge Router, Edge Switches, Firewall and IPS. The specifications necessarily should be based Open Standard which gives a level playing ground for all the OEM's.

New technologies like Network Virtualization, IPv6 routing, should be adopted in the Specification. Manageability is also a key factor to be considered.

If it's an application driven project and SI vendor has the liberty to choose the hardware based on their solution we suggest a certain minimum specification, so that all the leading OEMs with certain minimum performance can participate.

If set of specifications is to be prepared, then a common template should be prepared in a such a way so that all the leading OEMs are on the same page and can offer same set of products (as in APDRPs.)

Broadly, there can be different categories of products -

1. Core Router: Typically should be Chassis based modular router. Should be high performance router having full redundancy in terms of Power Supply and CPU. It should be highly scalable.
2. Edge/Access Router: This router will be having 2 Ethernet and slots for WAN connectivity.
3. Core Switch: This should be typically a Chassis Based Switch. It should support different modules type like 1G/10G. This should have redundant CPU, Power Supplies.
4. Edge / Access Switch: This will be typically Layer 2 devices at each of the remote locations.
5. Firewall: The Firewall should be modular with necessary ports availing for zoning.
6. IPS: The IPS should be considered based on the inspection throughput.

Software:

Project Scoping: In many tenders, scoping results in making tender vendor restrictive. The set of heterogeneous unrelated software solutions are grouped together to become single procurement item, which can be supplied by the specific vendor only.

. E.g. security solutions (always deployed in security operations center (SOC) are grouped with EMS (deployed in NOC) . This makes it vendor restrictive.

We request that software should not be grouped to suit specific vendors. Instead, they can be grouped according to industry standards like ITIL/NGOSS/eTOM/CoBIT etc. This will ensure compliance to international standards and give increased choice of products to government. Guidelines to this effect should be included.

Software interoperability: Often e-gov projects need to get deployed at State data centers. Most tenders necessitate that new set of software being supplied should integrate with legacy software. (e.g. in CCTNS project, EMS supplied in new project to integrate with EMS in SDC) Tender does not specify how integration with legacy software should be done. (e.g. Should Service oriented architecture be used for integration, or EAI centric approach be taken) This lack of details makes it vendor restrictive. Most SI's tend to take approach of product relatedness to achieve integration, they quote product of incumbent vendor.

This makes it vendor restrictive and restricts choice. Standards need to be defined for software interoperability.

Addressing the Sizing Issue:

This has been observed that IDC/Gartner reports/SPC/TPC benchmarks are coming in various RFP documents. While this may be a decent way to ensure the product quality & market acceptability, it is always indicative and does not guarantee the performance written in the document in real situation.

It is increasingly evident that RFPs end up Calculating the capacity of infrastructure elements using industry standard benchmarks, but all of us also realize that each type of benchmark addresses a specific type of workload in a particular pattern & such results are often assisted/boosted by specific HW or SW which is not part of the proposal (e.g Using 100x more storage than actual Data size or using All or mostly SSD technology).

In real life production environment leads to different requirement.

So, there should there be specific Tests / Benchmarks to be carried out at vendor's lab to support / substantiate vendor's claim on performance metric used for sizing might a good idea for these large MMP and eGov projects of lasting civil impact.

OR

SI should size the requirement based on his stack and meet the functional and technical SLA. The explanation for sizing should be asked for in RFP as Mandatory and Weighted Point.

Schedule H: Oracle

S. No	Tender Clause	Tender Expectations	Suggestion
1	Joint & Several Responsibility	All Consortium members work together for successful delivery of final project and everyone is responsible for outcome of implementation. In case of failure, payment of all parties can be withheld & complete consortium can be penalized.	Software OEM's contribution (in value term) is very insignificant to the total value of project. Hence software OEM should be excluded from Joint & Several responsibility.
2	Customer References.	Purchase order / Work orders are required to be submitted.	Purchase Order is confidential document & cannot be submitted. Customer case studies can be submitted.
3	Sizing Certification	Software vendor should take responsibility of providing correct infrastructure for the project. ; System Integrator has best knowledge about complete 'proposed solution'. OEM's knowledge about solution is limited to his products. Hence OEM should not be held responsible for sizing activity or responsible for providing correct infrastructure for the project.	
4	MAF with comprehensive warranty	OEM should be responsible for delivery of all features asked in tender document. In case of failure, penalties as per tender will be applicable. In tender cases it's bidder's responsibility to customize as per customer requirement and integrate with legacy system. OEM provides vanilla product and should not be penalized for bidder's responsibility.	
5	Various undertakings like Operating System Certification, 'n - Tier Architecture, Benchmarks, Web Base! d ERP, Integration with legacy system	This information is available in product data sheets. Hence no undertaking from OEM is required.	

Schedule I: Computer Associates

As part of the RFP standardization initiative, please find below the technologies areas that should be covered as part of the standard RFP for all e-Governance projects across States where multiple MMP's are being implemented.

The suggestion is to include Enterprise Management System, Service Level Management, Project Management information, Energy Management and Security Management across the States/MMP RFP's for better and faster results. The areas can vary and be applicable as per the project requirements.

Proposed Technologies:

Enterprise Management system:

1. Network Management System
 - Fault Management, Performance Management and Traffic Management
 - Server Performance Monitoring
 - System Performance for Physical and Virtual servers
2. Database Performance Monitoring
3. Help Desk
4. Asset and Patch Management
5. Application Performance Management for Web-Based Applications and end user Monitoring

Security Management:

6. Security Management: Identity / Access Management and Data Loss Prevention

Contract and Service Level management:

7. Service Level management: It helps States for authoring, modifying and measuring service level agreements, operational level agreements and underpinning contracts

Energy Management : To gain central visibility of energy consumption at a Data center and device level.

Project Management: This will help State PMO to oversee the progress of each project and resource requirements.

Other Areas of concern:

- Buying of additional IT components for the project at later time which becomes a challenge without itemized pricing during original bid.
- Pre qualification clauses for software and Hardware OEM's

Please find additional points for RFP standardization as per our discussion and attaching the previous mail on the subject.

- Licensing challenges:
- Price discovery for individual components required for additional procurement during multi phased approach

- Leveraging existing technologies and licenses as part of existing projects like SDC, SWAN, SSDG, etc. This is required when integration between projects is done.
- Challenges during integration between multiple projects. This is apparent when there is interdependency between multiple projects.
- Clarity on procurement of additional licenses
- Ownership of implementation
- Identifying cost for additional licenses and implementation cost
- Source of funding
- Detailing of the solutions and technology requirements as part of the RFP. RFP should cover detailed functional specifications for each technology which helps in proper selection of technology.
- Capacity building challenges which occur due to individual needs of multiple projects which are similar in nature.
- Prequalification criteria guidelines for software OEM's and hardware OEM's to be considered separately as many points requiring support, spare parts, manufacturing needs will be different.
- Project Manager Resource should be requested from OEM's for better delivery and execution of project.

Annexure IV: Summary of the Workshops Conducted at DIT

Meeting Agenda

Reference: The National e-Governance Plan (NeGP), a major initiative of the Government of India (GoI), involves 27 Mission mode projects (MMPs). Each MMP involves substantial Consulting services, ICT infrastructure and applications development. While procurement in this space is done individually for each MMP at present, it is being seen as important and a good practice to standardize and optimize this process.

The Department of Information Technology (DIT) aims to drive this transformation to positively support the procurement & RFP tendering objectives of the Centre, Line Departments and State Governments, thus enabling rapid deployment and rollout of MMPs and e-Governance projects. The existent practice has been that the Line Departments and the State Governments carry out their own procurement by floating custom-made Requests for Proposals (RFPs). Often these RFPs are prepared in consultation with multiple technical advisors and consultants, resulting in varied approach, different terms and conditions. Above all, each department attempts to create a fresh RFP though there is significant scope to leverage work done earlier, elsewhere.

Hence, DIT has planned to formulate model RFPs along with guidelines and framework for preparing them to be used by Line Departments and State Governments to procure goods, consultancy services, works and managed services for e-Governance projects.

DIT has engaged Accenture to assist in “Preparation of Model Requests for Proposals (RFPs), Toolkit and Guidance Notes for preparation of RFPs for e-Governance Projects” through a tender process as per RFP released on 31/03/2011.

As a part of the exercise, industry views are being solicited from System Integrators, OEMs and Consultants. The SI workshop conducted on 2nd August 2011 is the first amongst the 3 workshops planned for identification of the issues.

The SI Vendors were also requested to email their issues to DIT before the meeting. The views from TCS, L&T Infotech and NASSCOM were received before the meeting (attached as Annexure). The participants of the workshop were also requested to email their views subsequent to the workshop.

Schedule A: SI Vendors

Meeting Organizer(s)	<ul style="list-style-type: none"> Department of Information Technology, Government of India, New Delhi Accenture (as Consultant)
Meeting Location	<p>Department of Information Technology, Meeting Room No. 4062, Electronics Niketan, No. 6, CGO Complex, New Delhi 110003</p>
Meeting Time	15:00 pm – 17:00 pm (Indian Standard Time)
Participants	<p>Attending Companies:</p> <ul style="list-style-type: none"> CMC CSC SPV HCL Infosys Ltd. HP Infosys L&T Infotech Mindtree Nasscom TCS Wipro Ltd.

Discussion Items	
S. No.	Details
1.	<p>Shri Shankar Agarwal, Additional Secretary Sir, Department of Information Technology (DIT), kicked off the session with his keynote talk on the importance of this workshop to the Model RFP project and DIT, and its impact on the industry and Government procurement at large. He addressed the attendees on issues within e-Gov procurement, pertaining to the preparation and management of time intensive RFPs, and encouraged them to openly voice their concerns and challenges faced with RFP and bid management processes.</p> <p>Smt Archana Dureja, Director, DIT and Shri V. Sivasubramanian, Director (Strategic Planning), NeGD, who coordinated the entire session, also addressed the gathering and talked about the reasons behind this industry workshop with SI vendors and the importance of SI</p>

	<p>vendors in making the model RFPs a real success.</p> <p>They requested SI vendors to give critical insight on the problems with e-Gov RFPs, decision making on bid closure, execution delays etc. They also facilitated the discussions and guided the members of the meetings through topics.</p> <p>It was clarified during the discussions that though the States have State specific GFRs, the Model RFPs may not conflict with such GFRs and may be used by the State Governments for NeGP projects for achieving a streamlined procurement process.</p>
2.	<p>During the workshop, following thoughts were exchanged between SI vendors, DIT and Accenture. They have been on the basis of a) Functional and Technical specifications b) Commercial and Bidding Terms and c) Draft Contract Terms</p>
3.	<p style="text-align: center;">A: Functional and Technical Specifications</p> <p>The following issues were discussed during the discussions :</p> <ul style="list-style-type: none"> ▪ While the intended outcomes would be in terms of service delivery which form the basis for the SLAs prescribed, Bill of Material (BOM) is also specified giving the minimum/indicative specifications. Normally, to meet the defined SLAs, higher specifications are required and there could be technical incompatibility here. Secondly, it may not be necessary to prescribe the BOM and leave at only specifying SLAs: <ul style="list-style-type: none"> • One alternative is to provide detailed/exhaustive BOM and not leave it as “minimum” or “indicative” • Scope of work and BOM are mostly unclear and mostly do not match with each other • Clarity must be given on what the procurement is for: Service or Software/Hardware (BOMs). It was highlighted that Services need SLA, BOMs do not. For BOMs, specification of Hardware and Software specifications must be provided • It was stated by some of the participants that “boundaries” should not be created for the SIs when they are liable for not meeting the outcomes. They requested that they should have the flexibility of operations in terms of choosing their solutions, subcontractors etc. ▪ It was mentioned that internationally, Governments do Proof of Concepts (PoCs) to evaluate and test different solutions as part of their pilot exercises. Then they choose the technology or product. An example of Hong Kong Government was given in the discussions. <ul style="list-style-type: none"> • Governments use PoCs before getting into Services or goods (Hardware/Software products: BOM) procurement. This is generally done for situations where the solution is yet to be proven, for. E.g. UID.

	<ul style="list-style-type: none"> • Standards to be used for solution development/deployment must be specified and included in the model RFPs <p>It was discussed that approximately only 10% may require POC.</p> <ul style="list-style-type: none"> ▪ The RFP document does not provide enough details for estimation of the effort. It was highlighted that there is lack of standards in various areas, which leads to significant variations in effort estimations. • Data Migration work has been unclear and does not have required standards specified on the RFP • Need for standards on Payment Gateways also ▪ Important to specify the mode of delivery -> G2C, G2B, G2G, B2G etc. ▪ Roles & Responsibilities of Stakeholders must be balanced and clearly defined. It was mentioned that the responsibilities, SLAs and timelines for SLAs are unambiguous and are liable to pay penalty if these are not complied. However there are no reciprocal SLAs/penalties. It was highlighted that the SIs have to incur cost for any delay because of any reason from the side of the Government. ▪ It was suggested that the various firm details (like turnover, profitability, networth) required in the RFPs are in public domain. Corporate data of Bidding firms could be standardized and digitally stored by DIT in some Government portal, to avoid redundant efforts on collation of this data and paper wastage. ▪ It was highlighted that Power of Attorney (PoA) is a Board approved document and it is not possible to get the changes in the wording in the POA for every bid and hence it be accepted as it exists, and should not be asked in a custom format. ▪ It was discussed that model RFP should be categorised for different services – Hardware procurement, Service procurement etc. should have different RFPs. It was clarified during the discussions that this has already been planned and around 11 Model RFPs are being planned under this exercise ▪ Pure L1 bids or clear preference to it should be discouraged by Government <ul style="list-style-type: none"> • Project budget allotted to Government should be revealed • Bidding significantly below this budget should not be allowed ▪ Purchase Orders with complete factual data on related project required in Pre-Qualifications criteria is an issue – at times NDA exists between SI vendors and their clients <ul style="list-style-type: none"> • Authorized certificate from Bidder on projects completed should be acceptable • Indicative factual data, names and financial figures (instead of exact money value) should also be accepted • There was a thought on how we should promote the local players. Suggestion came from the participants that there should be minimum specified percentages for procuring from the local manufacturers and MSMEs.
4.	<p style="text-align: center;">B: Commercial and Bidding</p> <ul style="list-style-type: none"> ▪ The participants highlighted the need for having a level playing field. The need was felt by NASSCOM that there should be flexibility for large companies with international

	<p>credentials to participate in the bid and also for medium companies who have the potential to deliver the project.</p> <ul style="list-style-type: none"> ▪ QCBS evaluation methodology has been adopted but no objective parameters defined/stated for using in evaluation is found in many bids. <ul style="list-style-type: none"> • Transparency needed through score publishing • It was highlighted that QCBS, is not recommended as a mode of procurement for goods in CVC guidelines ▪ Geography based pricing should be used – some places have higher operating, logistics costs than the other ▪ It was pointed that at many RFPs, there are SLAs for which the measurement is not possible or no infrastructure procured for the measuring of SLAs ▪ It was a common request that CVs of actual team/resources are requested by Government, with a conditionality regarding commitment for deployment on the project. It was mentioned that since the RFP evaluation time takes time and is uncertain, flexibility should be given to SI to provide illustrative CVs and not committed CVs. Alternatively, the RFP evaluation and award should be completed within a reasonable timeframe. It was highlighted that IT industry is very dynamic and resources move to different assignments very fast. Waiting for closure of an e-Gov RFP, which take a lot of time (months), can be financially stressful for an SI vendor ▪ Technology Refresh clause should be provided in for long term (> 5 years) projects ▪ Large SI projects have high risk – high CapEx and OpEx <ul style="list-style-type: none"> • Payment terms for SI vendors should be more flexible and allow him to recover his “pass-through” expenses on User Acceptance. If the Government wants assurance of the support, the PBG amount can be increased. • Roles & Responsibilities of Stakeholders must be balanced and clearly defined ▪ Payment Terms not linked to CapEx <ul style="list-style-type: none"> • Government takes immediate complete ownership of products/services delivered but Payment made is only about 30% to 50% of its value delivered ▪ There were suggestions that the bidders should not be allowed to bid below the estimated costs, as this leads to cutting corners. There was even a suggestion that the L1 bids should be rejected. ▪ The requirement of certifications in the bidding process should be as per the requirement of the scope of work. It was felt that ISO certifications for technology work may not be relevant.
5.	<p style="text-align: center;">C: Draft Contract Terms</p> <ul style="list-style-type: none"> ▪ Deemed Acceptance not part of almost all RFPs ▪ Subcontracting is an issue in RFPs as clauses are not flexible. It was highlighted that since the SI is responsible for the successful outcome of the project, he should be provided the flexibility to choose/replace the sub-contractors during the course of the project. ▪ It was mentioned that the Arbitration clause in the RFPs is not consistent with the

Arbitration and Conciliation act 1996, as it quite often puts the Secretary of the Department as the chief arbitrator. This does not provide an equal opportunity for the SI to present its views.

- Instead of Arbitration or Litigation, usage of a Third Party Ombudsman can be an option
- **There were also discussions on the following Terms and Conditions:**
 - Direct and indirect limitation of Liabilities:
 - Delivery of services
 - Willingness of fraudulent practices
 - Capping the liability of the System Integrator on the lines of international practices
 - Indirect liability was not acceptable to all the SI participants. The others like Direct Liability, Liquidated damages and PBGs should be applied on the basis of the relevance on the applicability of these clauses.
 - Deemed Acceptance
 - Since taxes are to be collected by the Government, they should be paid on actual.
 - Termination clauses including termination for convenience and logic/reasoning behind it
 - The payments terms are hugely challenging and getting paid for the service delivered is always a risk in a Government project
 - The approval process needs to be streamlined and SIs should either know in advance on the multiple levels required for approval or they should get approval from one stakeholder.
- Some other issues which were raised :
 - Acceptance Criteria not clearly defined and is subjective
 - Cure Period is not sufficient and needs to increase from the current 1-2 weeks
 - Notice Period for termination should be at least 150 days, as the SIs have committed on costs in advance for various activities pertaining to the project. Also it was discussed that as per the international practices, whenever the termination clauses are invoked, the SIs should be compensated for the costs they have incurred.
 - “Site Not Ready” clause shouldn’t put complete onus/responsibility on SI vendor
 - Risk Purchase clause should be reviewed
 - Fall Clause (price protection for SI vendor) – If already provided product/service was cheaper earlier in time, it shouldn’t necessarily remain or be so
 - Need for standardized definition of Conflict of Interest in RFPs
 - The SI should not be asked to comply and make changes to comply for any changes in the legislation etc. Such changes should be carried out through Change Control.

Document(s) Exchanges (Refer Annexure)			
S. No.	From	To	Document Exchanged
1.	TCS	DIT	Issues faced with RFPs and during bid process
2.	NASSCOM	DIT	Challenges with faced with e-Gov procurement and RFPs
3.	L&T Infotech	DIT	Issues faced with RFPs and during bid process

Future Action Points				
S. No.	Action Items	Responsibility	Closure Date	Comments
1.	Inclusion of points discussed in the workshop when preparing the Approach Paper	Consultant	As per the agreed Project Plan	NA
2.	Addressing the key and relevant issues raised during the workshop in the Guidance Notes	Consultant	As per the agreed Project Plan	NA

Schedule B: OEM

Meeting Organizer(s)	<ul style="list-style-type: none"> Department of Information Technology, Government of India, New Delhi Accenture (as Consultant)
Meeting Location	<p>Department of Information Technology, Meeting Room No. 4009, Electronics Niketan, No. 6, CGO Complex, New Delhi 110003</p>
Meeting Time	15:00 pm – 17:00 pm (Indian Standard Time)
Participants	<ul style="list-style-type: none"> Attending Companies: Adobe Cisco Computer Associates (CA) IBM Oracle Red Hat Sun-Oracle SAP India HP Intel

Discussion Items	
S. No.	Details
1.	<p>Shri Shankar Agarwal, Additional Secretary Sir, Department of Information Technology (DIT), kicked off the session with his keynote talk on the importance of this workshop to the Model RFP project and DIT, and its impact on the industry and Government procurement at large. The major points he outlined pointed towards:</p> <ul style="list-style-type: none"> The need to cut down processes involved and the time taken when dealing with RFPs The use of model RFPs as a means to provide some comfort and confidence to State governments whilst engaging in the RFP process The decision to have a specialist cell within DIT to do handholding on using model RFPs and also give procurement assistance in e-Gov projects <p>He addressed the attendees on issues within e-Gov procurement, pertaining to the preparation and management of time intensive RFPs, and encouraged them to openly voice</p>

	<p>their concerns and challenges faced with RFP and bid management processes.</p> <p>Shri. Ajay Kumar, Joint Secretary Sir, DIT, was also present on the occasion and led the talks on how the issues faced by OEMs directly or indirectly affect the Government’s ambitions to attain technological stability and advancement.</p> <p>Smt. Archana Dureja, Director, DIT and Shri. V. Sivasubramanian, Director (Strategic Planning), NeGD/DIT, who coordinated the entire session, also addressed the gathering and talked about the reasons behind this industry workshop with SI vendors and the importance of OEMs in making the model RFPs a real success.</p> <p>They requested OEMs to give critical insight on the problems with e-Gov RFPs, decision making on bid closure, execution delays etc. They also facilitated the discussions and guided the members of the meetings through topics.</p>
2.	<p>During the workshop, following thoughts were exchanged between OEMs, DIT and Consultant. We have categorized them on the following basis:</p> <ul style="list-style-type: none"> • General Discussion • Functional and Technical Specifications • Bidding process, Evaluation & Legal terms
3.	<p style="text-align: center;">A: General Discussion</p> <p>The General discussion topics that the participants got involved in were the following:</p> <ul style="list-style-type: none"> ▪ Shri. Shankar Agarwal suggested that if possible there should be some methodology for periodic (may be weekly, if time permits) joint discussion sessions with Suppliers (OEMs, SI vendors, Consultants) to capture their inputs on how the model RFPs should come out as (model RFPs thus become living documents) ▪ Model RFP, coming from the DIT leadership’s point of view, would be technology agnostic, but could have guidelines on technology choices, features of technologies etc. that are deemed relevant. ▪ During discussions, it emerged that OEMs strongly felt on issues faced with specific RFPs. So, the OEMs were requested to take up a short diagnostic review of one or different categories of such RFPs and suggest from their side what the new model RFPs should be like, from the angle of those identified issues. ▪ It was mentioned that the changes in the model RFP would be made as and when required and hence it would be a “dynamic” document. ▪ It was clarified that the model RFPs would be communicated to the State Government and Central Government Ministries. The initial purpose of these RFP would be advisory, but it is expected that these would get popularised in the industry as it is expected that

	<p>it would resolve some of the key issues which impact the e-Governance project. At an appropriate time, these guidelines and model RFPs would also be taken to the Apex Committee for approval to get them mandated.</p> <ul style="list-style-type: none"> ▪ It was also clarified that there though are no current “standards” (like metadata standards, security standards etc.), they would be created as part of another exercise. DIT is carrying out separate exercise on that front and the Guidelines would suggest using these standards for the e-Governance projects. ▪ Shri. Shankar Agarwal suggested that transparency in the bidding process should be increased. He suggested that the pre-bid conferences should be video recorded to promote transparency. He also suggested that the OEMs may come up with their own ‘model’ RFPs based on what they think the best practices should be. It was decided that Consultant would forward RFPs to OEMs to modify and create the best suited RFP. The objective of this exercise is to address the issues and incorporate the best practices. The modified RFP would be examined for preparing Model RFPs. ▪ OEMs requested that they should be allowed to put questions during the pre-bid, as this would eliminate the repetition of questions posed by the SI vendors.
4.	<p style="text-align: center;">B: Functional and Technical Specifications</p> <p>The following issues were discussed during the discussions:</p> <ul style="list-style-type: none"> ▪ All OEMS expressed the singular view that there is great need to completely avoid open ended statements in RFPs, as this leads to different and misleading interpretations by OEMs, which in turn affects their solutioning capacity as well its price. Definitive, close ended statements, when requesting for solutions, technologies and/or features, help OEMs propose appropriately and accordingly. ▪ SLAs defined in RFPs were seen as being myopic because though the applications were developed to handle certain SLAs they did not fit in the overall required / expected solution or architecture. ▪ RFPs were observed to be less business requirements centric, the lack of which was causing failed implementation outcomes despite having implemented all the required hardware and software. ▪ OEMs felt it was irrelevant to ask for compliance to Functional SLAs in the RFPs as there was no way to quantify for that in the very beginning (at proposal stage). Also some Functional requirements were considered as being not really important when asking for a particular kind of solution. ▪ Both Functional and Non-Functional requirements, as per OEMs, were unclear as a whole when seen in light of the technology capability to be built or architecture to be designed. ▪ It was a common feeling that Scope of Work left a lot to be interpreted by being less precise on technical needs and less articulate on business specifications. ▪ In certain SDC RFPs it was seen that requirements were not balanced in terms of servers needed, databases to be installed, applications to be deployed etc. It was a unanimous feeling amongst OEMs that such technical requirements need to be

	<p>standardized.</p> <ul style="list-style-type: none"> ▪ Software vendors/applications should not be asked for undertakings, spare parts provisioning or service centre details – these are irrelevant to OEMs of software. Also it was requested that Manufacturer Authorization Letter should not be asked for in RFPs from OEMs of software. ▪ Vendor restrictive requirement was seen as finding its place unintentionally in the RFPs – scoping being ambiguous sometimes sends preference signals to certain products <ul style="list-style-type: none"> • For example, need for integration with legacy systems brings in need for linkages with the old OEMs (of legacy systems) thus restricting the new OEMs to have some sort of advantage. The interoperability factor tends to become a significant advantage to legacy system OEMs. • Also the legacy systems need to be detailed out for the bidders and certain open ended scope of work like “should integrate with all the legacy systems being used by the department” should be avoided. ▪ OEMs resonated the view that Hardware RFPs should move away from specifying numbers on technical specification and should rather provide performance requirements ▪ Certain RFPs, when defining functional or technical specifications mix up those specifications with various other features/specifications, which if and when interpreted by the book, gives advantages to certain OEMs who probably have that kind of a suite of offerings. The need was seen to clearly demarcate and segregate functional features and their related specifications. It was suggested that SOA architecture should be detailed out, so that the wrong messages are not sent out to the bidders. ▪ Technology Refresh or Obsolesce clause does not exist in most RFPs, and the OEMs considered this to be a challenge in bid evaluation process. They felt it should be mandated for and the SI vendor should be made accountable for it. Hence the RFP should appropriately incorporate the requirements. ▪ It also came out that since the Technology Refresh or Obsolesce clause is not there most OEMs/SI vendors didn’t own it up to offer technology refresh in e-Gov projects, which allows for lower bid pricing and for some old applications to enter the fray of e-Gov solutions. ▪ OEMs shared their views on simplifying Price Discovery by providing them module wise or line item wise. ▪ OEMs wished that expected (or maximum) number of users of the product should be disclosed. This helps them in sizing and matching specified performance. ▪ Upgrade of applications, after a certain specified period, should be included as a clause in RFPs to allow for gradual evolution in installed product quality and features. This should also be a component of pricing and subsequent bid evaluation. ▪ Reconciliation of BOMs was seen more appropriate a responsibility of SI vendors. At times, it was observed by OEMs, that SI vendors clubbed functional features from different OEMs into one, which caused confusion in reconciliation.
5.	<p align="center">C: Bidding process, Evaluation & Legal terms</p>

	<p>The OEMs shared the following thoughts on Pre-Qualification related issues:</p> <ul style="list-style-type: none"> ▪ The bidders highlighted that it is not possible to share the IPR or the source code for the software provided by them. The OEMs can only provide license to use and that there was no such thing as “unlimited” usage license. ▪ OEMs highlighted that since they are not front-ending the bidding process and hence the RFP should not be carrying the clause for OEMs to “jointly and severally liable” ▪ Credential data requested from OEMs in RFPs, has been understood to be more SI vendor specific – OEMs work with SI vendors who are the Prime bidder in almost all cases ▪ OEMs considered requesting disclosure of Purchase Orders of work done with clients as not relevant because OEMs partner with SI vendors who in fact have won the project. If required, they can provide published citations. ▪ Case studies and/or simpler credentials (which do not ask for data that only SI vendors can provide) was suggested as the way forward.
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Document(s) Exchanges (Refer Annexure)			
S. No.	From	To	Document Exchanged
1.	Computer Associates	DIT	Concerns with Functional and technical requirements put in RFPs
2.	Oracle	DIT	Concerns with RFP clauses

Future Action Points				
S. No.	Action Items	Responsibility	Closure Date	Comments
1.	Inclusion of points discussed in the workshop when preparing the Approach Paper	Consultant	As per the agreed Project Plan	NA
2.	Addressing the key and relevant issues raised during the workshop in the Guidance Notes	Consultant	As per the agreed Project Plan	NA
3.	Video conferencing of the next workshop (if possible)	DIT	7-Aug-2011	NA

Future Action Points				
S. No.	Action Items	Responsibility	Closure Date	Comments
1.	Providing inputs on clauses to DIT / "Best RFP"	Industry Representatives	12-Aug-2011	NA
2.	Provide inputs to DIT on standard set of RFPs shared by DIT with the participants	Industry Representatives	12-Aug-2011	NA
3.	DIT to share the RFPs with the participants for them to highlight the issues	Consultant/DIT	6-Aug-2011	NA

Schedule C: Consultants

Meeting Organizer(s)	<ul style="list-style-type: none"> • Department of Information Technology, Government of India, New Delhi • Accenture (as Consultant)
Meeting Location	<p>Department of Information Technology, Meeting Room No. 4009, Electronics Niketan, No. 6, CGO Complex, New Delhi 110003</p>
Meeting Time	14:00 pm – 16:00 pm (Indian Standard Time)
Participants	<p>Attending Companies:</p> <ul style="list-style-type: none"> • Deloitte • Ernst & Young • ILFS • KPMG • NISG • PwC • Wipro

Discussion Items	
S. No.	Details
1.	<p>Shri. Shankar Agarwal, Additional Secretary, Department of Information Technology (DIT), joined us in the session and shared his thoughts on the importance of this workshop to the Model RFP project and DIT; and its impact on the industry and Government procurement at large. The major points he outlined pointed towards:</p> <ul style="list-style-type: none"> • The need to cut down processes involved and the time taken when dealing with RFPs • The use of model RFPs as a means to provide some comfort and confidence to State governments whilst engaging in the RFP process • The need to bring in transparency and innovation in e-Gov procurement space through this project exercise <p>He addressed the attendees on issues within e-Gov procurement, pertaining to the preparation and management of time intensive RFPs, and encouraged them to openly voice their concerns and challenges faced with RFP and bid management processes.</p>

	<p>Shri. Ajay Kumar, Joint Secretary, DIT, was also present on the occasion and stated that this project was a novel idea from DIT. He guided the talks on how the issues faced by Consultants that directly or indirectly the delivery of e-Gov projects. He also triggered discussions on possible mechanisms to address these issues through mutual dialogue, which concluded as something on paper as well as inclusion of international best practices.</p> <p>Smt. Archana Dureja, Director, DIT and Shri. V. Sivasubramanian, Director (Strategic Planning), NeGD, DIT, also addressed the gathering and talked about the strategic role (at the root level) that Consultants can play, through constructive debate and suggestive feedback on specific RFP bad practices etc., in making the model RFPs a real success.</p> <p>They requested Consultants to give critical insight on the problems with e-Gov RFPs, decision making on bid closure, execution delays etc. They also facilitated the discussions and guided the members of the meetings through topics.</p>
2.	<p>During the workshop, following thoughts were exchanged between Consultants, DIT and Consultant. The discussions have been categorized on the following lines:</p> <ul style="list-style-type: none"> • General Discussion • Scope of Work and Related • Bidding Process, Evaluation & Contract Terms
3.	<p style="text-align: center;">A: General Discussion</p> <p>The General discussion topics that the participants got involved in were the following:</p> <ul style="list-style-type: none"> ▪ Shri. Shankar Agarwal (Additional Secretary) felt that in Consulting engagements there should be movement towards outcome based evaluation rather than extra emphasis on inputs (resources). He stressed the need for development of innovative concepts which can be used to bring in accountability & transparency. He also mentioned about the attempt elsewhere by DIT to push for use of e-procurement solutions for all Government procurement. ▪ Participants felt that a pre-RFP EoI would help to initiate Consultant engagement before actually formalizing the RFP for release ▪ Participants indicated that focus should shift towards Services for betterment of delivery in E-Gov space. ▪ The consultants also discussed the concepts of success fee based RFP where the successful outcome is rewarded
4.	<p style="text-align: center;">B: Scope of Work (SoW) and Related</p> <p>The following issues were discussed during the discussions:</p>

- Consultants opened up on the Scope of Work (SoW) framing process stating that it was more of an iterative process where in the SoW got fine tuned over a series of discussions with the Government client.
- Consultants felt that due to some uncertain conditions and various driving equations in the e-Gov space, the Government client lacked understanding on SoW. Intentions need to be made clear by the client - may be through pre-RFP discussions with a preselected group of Consultants and application of certain best practices on scoping.
- Consultants strongly felt that the service delivery model should act as a genuine driver for scoping.
- It was a common thought shared amongst Consultants that multiple stakeholder linkages within e-Gov projects leads to too much of dependency on estimating SoW. Consultants then eventually had to rely on relationships within Government to gain some more clarity. This, thus, led to asymmetry of information amongst bidding Consulting firms.
- Participants asked the question whether effort estimation for a project should be left loosely with Consultants to be defined or decided upon.
- Consultants shared, out of experience, that if effort estimation is to be done initially, proper due diligence must be done by both Consultant and Government client.
- A debatable view emerged out of Consultant discussions on the level of trust of that can be put on DPRs and if it was enough to build an RFP with a highly concrete, defined and detailed SoW.
- Consultants suggested that there should be overarching guidelines on when and why an EoI, RFP or RFE should be issued – differentiating between the purposes of each.
- On PMU related consulting engagements, the Consultants expressed view that they should be either delivery/deliverables linked or man-month availability based; not both. Consultants, typically in PMU work, only provided resources and were not to be held responsible for project outcomes. Internationally, clarity on these things exists.
- Also, it was felt that it's important to understand what was a "Deliverable" – Consultant's outputs or SI vendor's outputs? Hearing this point from Government clients' perspectives, it was observed that since they wanted to ensure quality and timely delivery, they have no alternate but to control input parameters that drive outputs – inputs being staffed resources, current scope of work etc.
- Consultants felt it was not fair for Government clients to change scope of work or timelines during the project execution, without appropriate clause and mechanism for it on RFPs. If Government clients wished to extend time lines, they could ask for man-month rates in the selection process, which can be used if the scope undergoes a change, as per international practice.
- There were issues cited by participants during the discussion on how change of stakeholders during projects caused rework project progress / delay problems.
- It was discussed that many RFPs ask for deviations and then they were asked to withdraw the deviations. It was suggested that there should be a proper mechanism to give due considerations to the deviations, as per international practice.
- It was also suggested that the transparency should be promoted by putting the draft FRP on the website before it is finalized and the NIT issued. This gives an opportunity to

	<p>refine the scope of work and also prepares the bidders to propose/suggest activities which may be considered by the client on its merit.</p>
5.	<p style="text-align: center;">C: Bidding Process, Evaluation & Contract Terms</p> <p>The Consultants shared the following thoughts on issues faced:</p> <ul style="list-style-type: none"> ▪ Some concerns and doubts existed amongst the participants on how to manage and obtain support from Stakeholders? ▪ It was a common view amongst Consultants that QCBS should be the preferred selection methodology in Consulting RFPs. ▪ Consultants suggested that, internally, Government should set a lower threshold value (bid price) for L1 projects also, not allowing drastically low bids. ▪ It was suggested that in some low value high risk/impact projects, QBS could be used as evaluation methodology ▪ Success fee should be included as part of Consultant’s payment schedules to encourage even better performance ▪ Since Government clients observed that proposed team was not always the actual team on the project, it was suggested that there could be the inclusion of a clause which bounded both client and Consultant to the proposed team within a given, fixed and agreed time period, by the end which client had to formally conclude the bid process, and post which the Consultant could not change the team (penalty to both parties in case of otherwise) ▪ It emerged that clause/mechanism to penalize consulting firms (and not just SI vendors) in case SI vendors failed to deliver should be brought in. But then, this due diligence must be done by a third party agency, whose identity is known before the bid process is concluded, and not by Government or SI vendors. ▪ Consultants felt that often the Governance structure of the Government entity hiring Consultants was not provided, which affected <ul style="list-style-type: none"> • Delivery signoffs • Implications due to Penalty clauses • Payment schedules (delays of it) ▪ It was highlighted that the liability of the company should be limited as per General Financial Rules. ▪ According to Consultants, Arbitrators must be independent third party agencies whose existence and defined role should be known before the project starts. All project approval disputes need to be sorted with this agency. ▪ A question was raised if to do general e-Gov IT projects such complex arbitration mechanism was at all required, since these external arbitrators charged high fee? It was then suggested that probably it was important to first classify the kind of relevant e-Gov projects that could need such arbitration mechanism. ▪ Confidentiality clause seemed to be not clearly defined and equally binding on all – the Government client, the Consultant and the SI vendor.

	<ul style="list-style-type: none"> • It was felt that there needs to be a formal agreed process around this • Best practices in this area could also be reviewed and included ▪ On confidentiality issue, Consultants voiced that it was not correct to disclose proposals before bid is concluded. ▪ It was felt by the consultants that the deliverable approval process in the Government is not communicated before hand and is discovered post submission of the deliverables. This leads to significant delays. ▪ An opinion that was expressed was having a Committee of Consultants (acting neutral) on large and risky projects. It was also suggested that the top 3-5 agencies can be shortlisted and then finalize the scope of work/evaluation process. Some suggestions were also given that the peer review should be done by other competitor Consulting firms. ▪ Deviations clause was seen as one not really exercised, since if Consultants put in deviations, the Government client strongly influenced the decision to withdraw them. ▪ It was felt that Conflict of Interest clause needed clear definitions along with its possible options in different types of e-Gov projects.
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Document(s) Exchanges (Refer Annexure)			
S. No.	From	To	Document Exchanged
1.	None	NA	None yet

Future Action Points				
S. No.	Action Items	Responsibility	Closure Date	Comments
1.	Inclusion of points discussed in the workshop when preparing the Approach Paper	Consultant	As per the agreed Project Plan	NA
2.	Addressing the key and relevant issues raised during the workshop in the Guidance Notes	Consultant	As per the agreed Project Plan	NA
3.	Providing inputs on clauses to DIT / "Best RFP" and wish list in a model RFP	Industry Representatives	12-Aug-2011	NA

Acronyms / Abbreviations Used

Acronym / Abbreviation	Description
ADB	Asian Development Bank
B2G	Business to Government
BOM	Bill of Material
BOO	Build-Own-Operate
BOOT	Build-Own-Operate-Transfer
BOQ	Bill of Quantity
CapEx	Capital Expenditure
CCTNS	Crime and Criminal Tracking Network & Systems
CMMi	Capability Maturity Model Integration
CSC	Common Service Center
CVC	Central Vigilance Commission, Government of India
DFID	Department for International Development, United Kingdom
DIT	Department of Information Technology, Government of India
DoE/DOE	Department of Expenditure, Government of India
E-Gov	E-Governance
EMD	Earnest Money Deposit
EOI	Expression of Interest
GFR	General Financial Rules, Government of India
G2C	Government to Citizen
G2B	Government to Business
G2G	Government to Government
GoI/GOI	Government of India
ICT	Information Communication Technology
IPO	Initial Public Offering
ISO	International Organization for Standardization
L1	Lowest Cost Bid
LCS	Least Cost Selection
LROT	Lease-Run-Operate-Transfer
MMP	Mission Mode Project
MoF/MOF	Ministry of Finance, Government of India
MSME	Micro and Small Medium Enterprise
NeGP	National e-Governance Plan
OEM	Original Equipment Manufacturer
OpEx	Operating Expenditure
PBG	Performance Bank Guarantee
PMO/PMU	Program Management Office/Unit
PoA/POA	Power of Attorney
POC/PoC	Proof of Concept
PPP	Public Private Partnership
QBS	Quality Based Selection
QCBS	Quality-cum-Cost Based Selection

Acronym / Abbreviation	Description
RFE	Request for Empanelment
RFP	Request for Proposal
RFQ	Request for Quotation
RFT	Request for Tender
SBCQ	Selection Based on Consultant's Qualification
SDC	State Data Center
SFB	Selection on Fixed Budget
SLA	Service Level Agreement
SI	System Integrator
SOA	Service Oriented Architecture
SoW/SOW	Scope of Work
SSS	Single Source Selection
SSDG	State portal, State service Delivery Gateway
SWAN	State Wide Area Network
UID	Unique Identification
UIDAI	Unique Identification Authority of India
VAT	Value Added Tax