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**RFP for Selection of Companies willing to setup BPO Operations in
North Eastern Region
under
North East BPO Promotion Scheme (NEBPS)**

Invited by



SOFTWARE TECHNOLOGY PARKS OF INDIA

(Dept. of Electronics and IT, Ministry of Communications and IT, Government of India)

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TERMS USED IN THE RFP

- ✚ **AMC** – Annual Maintenance Contract
- ✚ **Authorized Representative-** shall mean any person authorized by either of the parties.
- ✚ **Bid** shall mean complete set of documents submitted by a Bidder against the tender for “BPO Operations in North Eastern Region”.
- ✚ **Bidder** means an entity/Company who has intention to participate in the tender invited by STPI.
- ✚ **BPO** – Business Process Outsourcing
- ✚ **BSD** - Bid Security Deposit
- ✚ **CA** – Chartered Accountant
- ✚ **CCTV** – Closed Circuit Television
- ✚ **Contract**-is used synonymously with Master Service Agreement (MSA).
- ✚ **Corrupt Practice-** means the offering, giving, receiving or soliciting anything of value or influencing the action of an official in the process of Contract execution.
- ✚ **DCO** – Document Control Officer
- ✚ **DD** – Demand Draft
- ✚ **Default Notice-** shall mean the written notice of Default of the MSA issued by one Party to the other in terms hereof.
- ✚ **DeitY-** Department of Electronics and IT, Ministry of Communication & IT, Govt of India
- ✚ **DG** – Diesel Generator
- ✚ **EPABX-** Electronic Private Automatic Branch Exchange
- ✚ **FBG** – Financial Bank Guarantee
- ✚ **Fraudulent Practice-** means misrepresentation of facts in order to influence a procurement process or the execution of a Contract and includes collusive practice among Bidders (prior to or after submission of a Bid) designed to establish Bid prices at artificial non-competitive levels and to deprive the STPI of the benefits of free and open competition.
- ✚ **GoI-** shall mean the Government of India.
- ✚ **IPA**-In-Principle Approval issued to successful bidder.
- ✚ **IT/ITES** – Information Technology / Information Technology Enabled Services
- ✚ **IVRS** - Interactive Voice Response System
- ✚ **LAN** – Local Area Network
- ✚ **Law-** shall mean any Act, notification, by law, rules and regulations, directive, ordinance, order or instruction having the force of law enacted or issued by the Central Government and/ or the Government of NER or any other Government or regulatory authority or political subdivision of government agency.

- ✚ **MSA**- Master Service Agreement is a joint agreement between STPI and selected bidder who has accepted the IPA.
- ✚ **NDA** - Non-Disclosure Agreement
- ✚ **NEBPS** - North East BPO Promotion Scheme
- ✚ **NMC**- NEBPS Management Committee.
- ✚ **NER** – North East Region
- ✚ **O&M**- Operations and Maintenance.
- ✚ **OPEX** - Operational Expenditure
- ✚ **Party**- means STPI or Bidder, individually and “Parties” mean STPI and Bidder, collectively.
- ✚ **RFP** - Request For Proposal
- ✚ **Site**- shall mean the location(s) from where the service shall be offered to the industry as per MSA.
- ✚ **STPI**- Software Technology Parks of India.
- ✚ **Successful Bidder** means the Bidder whose Bid is evaluated and get selected as per the RFP.
- ✚ **UPS** – Uninterrupted Power Supply
- ✚ **VGf** -Viability Gap Funding
- ✚ **Works** mean to execute the works specified under this RFP.
- ✚ **Year** shall be with reference to date of commencement of BPO operations, if year is not defined at said place in the RFP.

1. INTRODUCTION

1.1 The Department of Electronics and IT (DeitY), Ministry of Communications and IT, Government of India has notified the “North East BPO Promotion Scheme (NEBPS)” under Digital India Programme, which provides capital support in the form of Viability Gap Funding to eligible BPO Companies, with the following objectives:

- (i) Creation of employment opportunities for the local youth in the North Eastern Region (NER), by promoting the IT/ITES Industry particularly by setting up the BPOs/Call Centres.
- (ii) Promotion of investment in IT/ITES Sector in NER in order to expand the base of IT Industry and secure balanced regional development.

1.2 The Software Technology Parks of India (STPI), an autonomous society of DeitY has been designated as the Nodal Agency for implementation of the NEBPS. The administrative approval of this scheme is available at www.deity.gov.in.

1.3 STPI, invites Request For Proposal (RFP) from the eligible Companies, who are desirous of setting up BPO operations in N.E. Region, under the NEBPS.

2. SALIENT FEATURES OF NEBPS

2.1 The NEBPS aims to incentivize establishment of 5000 seats in respect of BPO operations in the States of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, through the following capital support in the form of Viability Gap Funding (VGF) to eligible BPO Companies:

Capital Support: Upto 50% of one time expenditure incurred on admissible items (**Appendix-E**) subject to an upper ceiling of Rs. 1 lakh per seat.

2.2 The quantum of capital support shall be determined through an open bid system, subject to overall ceiling referred above. Accordingly, bids are being invited from eligible applicant companies through this Request For Proposal (RFP), to determine the lowest amount of Capital Support to be provided as Viability Gap Funding in respect of each State.

2.3 A BPO Company, seeking to avail capital support under this scheme, shall be under obligation not to claim the similar capital support under any other Scheme of the Central/State Government concerned.

3 Eligibility Criteria

The bidder would be required to meet the following conditions:

- 3.1 The bidder should be registered in India under The Companies Act, 1956 or The Companies Act, 2013(as amended till date), as applicable.
- 3.2 The bidder must be willing to set up a BPO/Call Centre, with a minimum of 100 seats capacity at one location (city/town). However the bidder would be at liberty to bid for a *maximum of 500 seats either (a) at one location (city/town) or (b) at multiple locations (city/town) in the NER.*
- 3.3 The bidder must commit to operate BPO/Call Center for a minimum period of 3 years.
- 3.4 The bidder must furnish an undertaking to take either appropriate premises on lease for at least 3 years or produce the proof of ownership of the premises for setting up BPO operations at the location referred at 3.2 above. [Minimum area should be 4000 Sq Ft for 100 seats or @ 40 Sq Ft per seat].
- 3.5 The bidder should have been in business of running a Call Centre/BPO anywhere in India for at least 3 years and achieved a minimum average annual turnover of Rs. 5 Crore, from BPO/ Call Centre operations, during the immediate past 3 financial years.

OR

An entrepreneur can form a Consortium with an Indian BPO Company which is able to fulfill the above financial eligibility criteria. The eligible BPO Company must have at least 26 % equity shareholder in the Consortium and commit to maintain minimum equity shareholding (26%) for at least three years. The share holder having the largest equity shareholding shall be the lead member of the Consortium.

- 3.6 The bidder must commit to employ at least 1.5 times the number of seats (employment target), for which the bid is submitted and claim for financial support is to be subsequently made, after the commencement of BPO operations.
- 3.7 The bidder should have positive net worth as on 31-03-14, duly certified by a Chartered Accountant.
- 3.8 The bidder should have ISO certification for process quality.
- 3.9 The bidder should not be under a Declaration of Ineligibility for corrupt or fraudulent practices or blacklisted by any of the Government agencies. Self-

Declaration should be given by an Authorized Signatory.

4 Issue of RFP Document

This RFP document is available at <http://eprocure.gov.in>, www.deity.gov.in, www.stpi.in and www.guwahati.stpi.in. The bidders can also secure a copy of the RFP Document from the office of DG, STPI or Director, STPI, Guwahati, on the payment of Rs 300/- in cash. The bidders would be required to submit their bids, along with the tender fee of Rs. 5000/- (Five thousand only), in the form of DD/Bankers' Cheque in favor of "Software Technology Parks of India", payable at New Delhi.

5 IMPORTANT DATES

Date of publication, sale of RFP document/Download	18.04.2015
Last date for submission of written queries for clarifications	29.04.2015, 5:00 PM Email: devesh@stpi.in
Pre-bid meeting	06.05.2015 Time: 3 PM Software Technology Parks of India, 9 th Floor, NDCC –II Building, Jai Singh Road, New Delhi- 110001.
Bid Submission Start Date	11.05.2015
Bid Submission End Date	18.05.2015 Time: 3:00 PM
Bid Opening Date	18.05.2015 Time: 3:30 PM or any other subsequent date/time.

6 BIDDING PROCESS

6.1 LANGUAGE OF THE BID

The bid must be submitted using English Language and international numerals. In the event of the enclosed documents being in a language other than English, the same should be got translated in English/International numerals, and duly certified by the Authorized Signatory of the Bidder.

6.2 CORRESPONDENCE AND BID SUBMISSION

All correspondence and submission of the bid should be made at the following address:

**The Director General,
9th Floor, NDCC-II Building,
Jai Singh Road (Opp. Jantar Mantar),
New Delhi-110 001
e-mail: devesh@stpi.in
Phone: 011-23438174
Fax: 011-23438173**

6.3 SUBMISSION OF BIDS

(i) The Bidders would be required to submit its bid in Two-Bid Format, with Technical and Financial Bids sealed separately, along with Bid security [**Bid Security would be 5% of (total no of seats indicated in the Bid multiplied by bid amount per seat)**]. The Bidder would be required to put these three sealed envelopes (Technical Bid along with Tender Fee, Financial Bid, Bid security) in a big envelope duly sealed and send it to the **STPI-HQ at the address mentioned in clause 6.2 above by or before the Due Date**. The Formats for Technical and Financial Bids are at Appendix-B and Appendix-F respectively.

(ii) The bid should be signed and sealed by an authorized signatory (possessing power of attorney) on each page of the bid document including enclosures and prescribed formats. Full name and designation of the authorized signatory should be clearly mentioned.

6.4 VALIDITY OF THE BIDS

The Bid should be valid for a minimum period of 180 days from the Bid Submission End Date.

6.5 DOCUMENTS AND INFORMATION TO BE SUBMITTED ALONG WITH THE BIDS

A. TECHNICAL BID

The following documents should be part of the Technical Bid:

- I. Covering letter as per **Appendix-A**.

- II. Technical Eligibility as per **Appendix-B**
- III. Bidder's Client references as per **Appendix- C**
- IV. Declaration regarding clean track record as per **Appendix-D**
- V. Tender Fee (as referred at Clause 4)

B. FINANCIAL BID

The bidders may participate for setting up BPO/Call Center with a minimum of 100 capacity seats at one location (City/Town) or maximum of 500 seats at one location or multiple locations in either one State or more than one State in the NER. The Financial bid should be submitted in the Format as per the **Appendix-F**. The Bidders may please note that there would be an uniform amount of Capital Support for a given State, determined through this bidding process. Therefore, the Bidder is advised to quote uniform amount of Capital Support for various locations in a given State, wherever applicable. However, the Bidder is at liberty to quote varying amount of the Capital Support for location(s) in other State(s).

6.6 BID SECURITY DEPOSIT

- (i) The Bidder should submit the Bid Security Deposit (BSD), equivalent to 5% of **total no of seats indicated in the Bid multiplied by bid amount per seat**. e.g. For a 100 seats BPO Operation @ Rs. 60000 per seat, BSD will amount to Rs. 3 lakhs [5% of (Rs 60000 X 100)].
- (ii) BSD should be in the form of an Account Payee Demand Draft or Banker's Cheque in favor of "Software Technology Parks of India" payable at New Delhi. Bids without the BSD will be summarily rejected. The Bid Security shall be refunded without interest to the Successful Bidder on submission of Financial Bank Guarantee for approved amount of Capital Support. The Bid Security shall be forfeited in case of non-acceptance of IPA. The Bid Security will be refunded to the unsuccessful bidders without any interest within 4 weeks after issue of IPA to the Successful Bidders.

6.7 CLARIFICATIONS REGARDING RFP DOCUMENT

- (i) Should a prospective Bidder need any clarification on any specific aspect of this RFP Document, the same may be forwarded to the Director General, STPI, New Delhi by post, facsimile or email (devesh@stpi.in), on or before the last date for submission of written queries for clarifications in the following format:

Sl No	Clause No	Details of query(ies)	Suggestions, if any

- (ii) STPI may, for any reason, carry out amendment(s) in the RFP document, shall be hosted on all the aforesaid websites viz <http://eprocure.gov.in>, www.deity.gov.in, www.stpi.in and www.guwahati.stpi.in.

- (iii) STPI would issue necessary clarifications, before the Bid submission Start Date.
- (iv) The prospective Bidders are advised to visit the aforesaid websites on regular basis, in their own interest.

6.8 PRE-BID MEETING

The pre-bid meeting will be convened at New Delhi as indicated at Clause 5. This meeting may be attended by the authorized representatives of the Prospective Bidders.

7 EVALUATION OF BIDS

- (i) The bids received by the Bid Submission End Date shall be opened by a duly Constituted Committee in the presence of the bidder(s) or their authorized representative(s), who may opt to be present. At this stage, the main Big envelope containing three sealed envelopes of Technical Bid, Financial Bid and Bid Security would be opened. Consequently, the envelope containing the technical bid will be opened. Further, the envelopes containing the Financial and Bid Security will be kept securely without opening, after being duly signed by the Committee on the body of the envelopes.
- (ii) Consequently, a duly constituted Technical Evaluation Committee will proceed to evaluate the technical bids. Based on this evaluation, technically qualified bidders would be invited to the opening of Financial Bids on a subsequent date. The Financial Bids will be opened by a duly constituted Financial Evaluation Committee in the presence of the bidder(s) or their authorized representative(s), who may opt to be present.
- (iii) The bidder is expected to examine all instructions, formats, terms & conditions, and scope of work in the bid document. Failure to furnish complete information or false information/ documents which is not substantially responsive to the bid document in all respect shall result in rejection of bid.
- (iv) In respect of interpretation/clarification of this bid document and in respect of any matter relating to this bid document, the decision of STPI shall be final.
- (v) It needs to be noted that the bids would be rejected on one of the following grounds : -
 - If any of the eligibility criteria is not met.
 - Tender fee not submitted.
 - Bid Security not submitted.
 - If tender terms and condition are not met.
 - If the Bidder gives wrong information in the Bid.
 - Canvassing in any form in connection with the Bids.
 - Conditional bids.
 - Incomplete bid in any form.
 - Bids submitted after due date and time.
 - Bids submitted by Telex/Telegram/Fax/e-mail.
 - Erasure and/or over writing is/are NOT permissible.

- Bids not signed by authorized signatory.
 - Submission of Financial bid in the technical bid envelope.
 - If the Bid is submitted for more than 500 seats across NER.
- (vi) Subsequently, the financial evaluation process as below would be followed to determine the successful bidder(s):
- a. *The Weighted Average of all the Bids for each of the State shall be calculated in the following manner. Suppose there are n Bids viz. B1, B2,,Bn for n1, n2, n3,, nn seats respectively for a particular State. The Weighted Average of all the Bids (W) for that State = $(B1*n1 + B2*n2 + \dots + Bn*nn)/(n1+n2+\dots+nn)$.*
 - b. *All such Bids of a State, which are 20% lower than W of the respective State shall be treated as unreasonable and would be rejected forthwith.*
 - c. The lowest bidder (L1) claiming minimum capital support per seat in respect of each State would be determined for each State (subject to the applicable ceiling of seats per bidder).
 - d. Then, the bidder(s) claiming the lowest capital support among all States of NER would be declared successful. Subsequently, lowest bidder L1 for another State in ascending order would be declared successful in a Round-Robin manner i.e. S1 to S8 State in ascending order of L1 amount of each state.
 - e. Example: NEBPS Bidding Process for all State(s) in NER

NEBPS Bidding Process for all State(s) in NER				
State	Bid amount in ascending order			Winner (L1)
S1	S11	S12	S13	S11
S2	S21	S22	S23	S21
S3	S31	S32	S33	S31

Order of declaring successful bidder for the State: S11, S21, S31 (Assuming $S11 < S21 < S31$ and even if $S12 < S21$). Round-1 Completed. Then, in second round, second lowest bidder would be asked to match L1 of the respective State in same round-robin order. *The objective is to give equal weightage to all States and ensure the widest possible dispersal of BPO Industry, subject to other terms and conditions in this document. In the event of the bid amount being equal in respect of two or more States, the bidder in respect of State with the lowest population (Census 2011) would be considered first for matching L1 of the respective State. If two or more bidders in a State (L1 & L2 or L2 & L3 and so on) bid the same amount, then bidder quoting lesser number of seats will be considered first for ensuring wider dispersal. In case the number of seats are also same for two or more bidders in a State, then the bidder with higher net worth will be considered first. The bid amount for a State should be same across all locations of that State.*

(vii) **ISSUE OF IN-PRINCIPLE APPROVAL (IPA)/SIGNING OF MASTER SERVICE AGREEMENT (MSA)**

- STPI shall convey IPA to the Successful bidders.

- The Successful Bidder would be required to furnish its acceptance of the IPA and sign the MSA [separately for each of the location (city/town)] with STPI, within a period of 2 weeks from the date of issue of the IPA.

(viii) In the event of non-utilization of the projected 5000 seats or failure of bidding process for whatever reasons in the first round of bidding or for any other bonafide reasons, STPI would be at liberty to go for fresh round of bidding.

8 TERMS & CONDITIONS RELATING TO COMMENCEMENT OF BPO OPERATIONS, DISBURSEMENT OF FINANCIAL SUPPORT AND PROCEDURE THEREOF

- (i) The Successful Bidders (BPO Unit) shall be under obligation to commence its BPO operations within 6 months, from the date of issue of In-Principle Approval referred above. Failure to do so shall automatically result in forfeiture of the Bid Security and cancellation/termination of IPA/Agreement.
- (ii) Soon after the commencement of BPO Operations, the Company shall report the fact of commencement of its operations within a period of two months, along with the request for release of financial support as per the agreed amount. This financial support shall be released in 2 installments as under, subject to fulfillment of all formalities and compliance with various conditions laid down in this scheme:
 - a) **First Installment shall be upto 50% of the total capital support, to be calculated on pro-rata basis**, subject to meeting at least 50% of employment target and further *subject to verification of required proofs/documents and site inspection by STPI.*

For example, assuming a BPO Unit received approval of 200 seats BPO operation (Employment Target = $1.5 * 200 = 300$). The BPO Unit can claim first installment after employing at least 150 (50% of target employment) on pro-rata basis. If applicant employs 150 employees for BPO operations and had got approval of 200 seats quoting support of Rs. 1,00,000/seat, then it will get Rs. 50, 00, 000 [$1,00,000 * 200 * (50/100) * (150/300)$] as first installment subject to verification of required proofs/documents and site inspection by STPI.

- b) **Second Installment shall be upto 50% of the capital support, to be calculated on pro-rata basis**, subject to meeting at least 50% of employment target and further, subject to verification of required proofs/documents and site inspection by STPI. This installment shall be released any time after the expiry of three months period (but not later than six months) from the date of release of first installment.

*For example, assuming 200 seats BPO unit received first installment of Rs. 100 lakhs fulfilling the target employment criteria (50% of Rs. 2 crore) for capital support, but at time of second installment it employs only 150 employees, then it will receive Rs. 50 lakhs ($150/300 * Rs. 100$ lakhs) subject to verification of required proofs/documents.*

(iii)The BPO Unit would be required to furnish a Financial Bank Guarantee (as per Appendix-H) from a Nationalized Bank, valid for a period of 2 years for each installment under Capital Support (excluding period of claim).

(iv)No support towards Operational Expenditure (OPEX) would be provided to the BPO Unit.

(v) **PROJECT TIMELINES**

The estimated timeline shall be as **Appendix-G**. The start date of the project shall be from the date of issue of IPA.No extension in the schedule whatsoever shall be requested by the selected bidder.

(vi) **Delay and non-conformance**

The Successful Bidders (BPO Unit) shall be under obligation to commence its BPO operations within 6 months, from the date of issue of In-Principle Approval (IPA) referred above. Failure to do so shall automatically result in forfeiture of the Bid Security and cancellation/termination of IPA/Agreement.

(vii) **Liquidated damages (penalty)**

If the successful Bidder fails to meet the Employment Target i.e. average employment of the last two years (Based on which the capital support were released), STPI may invoke the Bank Guarantee as per the performance and exit management criteria

(viii) **FORCE MAJEURE**

STPI may grant an extension of time limit set for the completion of the work, in case the timely completion of the work is delayed by Force Majeure conditions, beyond the Successful Bidder's control, subject to what is stated in the following sub paragraphs and the procedures detailed there in being followed. Force Majeure is defined as an event of effect that cannot reasonably be anticipated such as Acts of God (like earthquakes, floods, storms etc.), acts of States, the direct and indirect consequences of wars (declared or undeclared), hostilities, national emergencies, civil commotion and strikes (only those which exceed a duration of ten continuous days) at successful Bidder's premises. The successful Bidder's right to an extension of the time limit for completion of the work in above mentioned cases is subject to the below mentioned procedures:

That within 15 days after the occurrence of a case of Force Majeure but before the expiry of the stipulated date of completion, the Bidder informs the STPI in writing that the Bidder considers himself entitled to an extension of the time limit.

That the successful bidder produces evidence of the date of occurrence and the duration of the Force Majeure in an adequate manner by means of documents drawn up by the responsible authorities.

That the successful bidder proves that the said conditions have actually interfered with the performance of the Contract.

(ix) ARBITRATION

All disputes, differences, claims and demands arising under this contract shall be referred to the arbitration of a Sole Arbitrator to be appointed by the Director General, STPI.

The provisions of the Arbitration and Conciliation Act, 1996 and all its amendments till date shall be applicable and the award made there under shall be final and binding upon the parties hereto, subject to legal remedies available under the law.

(x) Jurisdiction

The Courts at New Delhi shall have the jurisdiction in case of litigation between the parties.

(xi) THIRD PARTY CLAIMS

The bidder (the "Indemnifying Party") undertakes to indemnify DeitY/ STPI (the "Indemnified Party") from all losses, claims for damages on account of bodily injury, death and damage to real property, tangible/ intangible personal property.

(xii) LIMITATIONS OF LIABILITY

The successful bidder shall ensure no limitation of liability in case of any damages for bodily injury (including death) and damage to real property and tangible personal property as also intangible personal property and intellectual property rights.

(xiii) NON WAIVER

Waiver of any breach of the provision of, or any default under the contract must be in writing and signed by the Party granting the waiver. No failure or delay on the part of either Party in exercising or any omission to exercise any right or remedy accusing to either Party under the contract shall be a waiver thereof, nor will any partial exercise of any right or remedy particular be a waiver of further exercise of that right or remedy.

9. GENERAL TERMS AND CONDITIONS**9.1 RESPONSIBILITY MATRIX**

Sl. No	Activity	STPI	Successful Bidder
1.	Procurement and installation of Capital Equipment (Hardware, Software etc) that are required for setting up of BPO operations.		√
2.	Recruitment of manpower and Training		√
3.	Confirmation of commencement of BPO Operations	√	√

Sl. No	Activity	STPI	Successful Bidder
4.	Operations and Maintenance of Call Center/BPO for the entire agreement period.		√
5.	Payment towards capital support (1 st & 2 nd Installments) subject to fulfillment of all conditions by the successful bidder	√	
6.	Absorb all the risks and costs associated with O & M, Marketing, Sales and Providing Service to the customer for the entire agreement period.		√
7.	Performance Review	√	

9.2 SUCCESSFUL BIDDER'S EMPLOYEES (IMPLEMENTATION AND OPERATIONS TEAM)

The successful bidder at his own expenses, shall deploy skilled and experienced professionals in the area of BPO operations etc both during implementation and operations of the BPO. Such skilled resources are necessary for the proper and timely execution and maintenance of BPO. Operations. The overall project works shall be monitored by the experienced project manager designated by the successful bidder.

The successful bidder is expected to arrange adequate resources, as necessary for the implementation of the BPO operations, in a time bound manner.

In the event of the STPI being of the opinion that the successful bidder has not employed sufficient number of staff and workmen as is necessary for the timely implementation of the BPO operations , the successful bidder shall forthwith, on receiving intimation to this effect, take additional manpower specified by STPI within 3 days for timely completion of works.

9.3 STATUTORY AND OTHER OBLIGATIONS REGARDING WORKMEN

The successful bidder shall comply with all Government Regulations, Enactments, etc pertaining to workmen, labor and Deity/ STPI shall be indemnified of any effects/impact.

9.4 SAFETY REGULATIONS

The successful bidder shall be responsible to take all precautions to ensure the safety of the public whether on public or Client's Property.

The successful bidder shall comply with all kinds of safety measures in regard to men and material deployed for the project.

9.5 SCHEDULE OF QUANTITIES AND COMMERCIAL OFFER

The successful bidder shall neither be entitled for any revision of the capital support amount owing to increase in the total capital cost as per actual requirement nor be entitled to any loss of consequential profits or for any other damages arising thereof.

9.6 CONFIRMATION OF COMMENCEMENT OF BPO OPERATIONS

- Successful bidder must demonstrate BPO operations to STPI.
- Successful bidder should provide necessary documents regarding recruitment of the manpower for BPO operations.
- Demonstration of BPO operations, Client list, Client Purchase/Work Orders, Agreement, Business Plan etc.

9.7 USE OF STPI PREMISES

The successful bidders may avail the built up space, available at STPI Centers in North Eastern Region and shall be required to pay for such usage to STPI as per lease agreement that may be entered into for this purpose.

9.8 OPERATIONS AND MAINTENANCE

- It is the responsibility of the successful bidder to operate and maintain CALL CENTER/BPO for the entire agreement period and shall bear all the recurring expenditure (Building rentals, Electricity, AMC of the support equipment, Operating staff salaries, marketing expenses, Incidental expenses etc) for running this project.
- It is the responsibility of the successful bidder to ensure AMC for the support equipment from time to time to keep the BPO operations equipment in working condition during the contract period and shall bear this expenditure.
- No support towards Operational Expenditure (OPEX) would be provided to the selected companies for running the BPO operations.
- Shall comply with all the labour laws of the concerned state with regard to employment.

9.9 TAXES AND DUTIES

The bidder is liable to pay all applicable, both existing and future taxes and duties etc. to the concerned Agencies.

9.10 AGREEMENT PERIOD

The Agreement shall be effective from the date of signing MSA and shall remain valid till the expiry of a period of 3 (three) years from the date of commencement of BPO Operations.

9.11 TERMINATION OF AGREEMENT

STPI reserves the right to invoke Financial Bank Guarantee under any of the following circumstances:

a) Termination for default

STPI, without prejudice to any other remedy for breach of the Agreement, by written notice of default sent to the BPO unit, may terminate the Agreement in whole or in part:

If the BPO unit fails to deliver any or all of the good/services within the time period(s) specified in the Agreement, or within any extension thereof granted by STPI as per agreed terms & conditions with the BPO Unit.

Or

If the BPO Unit fails to perform any other obligation(s) under the Agreement.

Or

If the BPO Unit, in the judgment of STPI has engaged in corrupt or fraudulent practices in competing for or in executing the Agreement.

b) Termination for insolvency

STPI may at any time terminate the Agreement by giving written notice to the successful bidder without compensation, if the SUCCESSFUL 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 STPI.

c) Events of Default by the successful bidder

The successful bidder has failed to conform with any of the Service/Facility Specifications/standards as set out in the scope of work of this RFP document or has failed to adhere to any amended direction, modification or clarification as issued by STPI during the term of this Agreement and which STPI deems proper and necessary for the execution of the scope of work under this Agreement.

The SUCCESSFUL BIDDER has failed to demonstrate or sustain any representation or guarantee made by it in this Contract with respect to any of the terms of its Bid or the RFP and this Agreement.

There is a proceeding for bankruptcy, insolvency, winding up or there is an appointment of receiver, liquidator, assignee, or similar official against or in relation to the Agency.

The Successful Bidder has failed to comply with or is in breach or contravention of any applicable laws.

Where there has been an occurrence of such defaults inter alia as stated above, STPI shall issue a notice of default to the Agency, setting out specific defaults / deviances / omissions and providing a notice of Ninety (90) days to enable such defaulting party to remedy the default committed.

Where despite the issuance of a default notice to the SUCCESSFUL BIDDER by STPI the SUCCESSFUL BIDDER fails to remedy the default to the satisfaction of the Agency, STPI may, where it deems fit, issue to the defaulting party another default notice or proceed to adopt such remedies as may be available to STPI.

9.12 RIGHTS OF CANCELLATION OF BIDDING

On the advice of NMC, STPI may cancel/postpone the bidding at any stage without assigning any reason.

9.13 INTERPRETATION OF CLAUSES OF RFP

In case of any ambiguity / dispute in the interpretation of any of the clauses in this RFP, **the interpretation of the clauses by the Director-General, STPI shall be final and binding on all parties.**

9.14 CONFIDENTIALITY

The bidder shall sign a Non-Disclosure Agreement (NDA) with the STPI. The successful bidder, its antecedents and the sub- Agency shall be bound by the NDA.

The bidder shall be liable to fully compensate the STPI for any loss of revenue arising from breach of confidentiality. The STPI reserves the right to adopt legal proceedings, civil or criminal, against the Document Control Officer (DCO) in relation to a dispute arising out of breach of obligation by the DCO under this clause.

The bidder shall not disclose any confidential information to any other party and keep confidential the terms and conditions of this Contract agreement, any amendment hereof, and any Attachment or Annexure hereof.

The obligations of confidentiality under this section shall be for life time i.e even after the completion or termination of the contract.

10 PERFORMANCE AND EXIT MANAGEMENT

- (i) Upon completion of the agreement period or upon termination of the agreement for any reasons, the Successful bidder shall comply with the following:
- a) *In the event of the BPO Unit not being able to claim Capital Support within 3 months from the date of commencement of its operations, the BPO Unit will not be eligible for any support whatsoever and the IPA/Agreement shall be deemed to have been cancelled/ terminated.*
 - b) *In the event of the BPO Unit not being able to achieve minimum employment target of 50%, within 3 months from the date of commencement of its operations, the Unit shall not be eligible for any support whatsoever and the IPA/Agreement shall be deemed to have been cancelled/ terminated.*
 - c) *The BPO Unit will be obligated to furnish quarterly performance report, inter-alia, indicating the average monthly employment in the Unit. At the stage of release of Bank Guarantee, average employment of last two years will be calculated. In the event of the BPO Unit not meeting the employment target (based on which the capital support was released), the STPI would be at liberty to invoke the Bank Guarantee.*
 - d) In case the BPO Unit claims full amount of bid, based on achieving the employment target, the Unit needs to ensure the employment target in the next 2 years. In case of short fall, Bank Guarantee would be invoked & amount would be refunded on pro-rata basis and the balance would be retained by STPI for NEBPS.
 - e) In case BPO Unit avails pro-rata incentives in first/second installments (due to not meeting the employment target), at the time of exit the amount would be released as under:
 - Full amount of Bank Guarantee released if the Unit maintains the average pro-rata employment target.
 - If there is a short fall in the average pro-rata employment, corresponding to the incentives then the Bank Guarantee would be invoked by STPI and amount would be refunded on pro-rata basis to BPO Unit & balance would be retained by STPI for NEBPS.
 - f) In case the average employment is less than 50% of the employment target, Bank Guarantee would be invoked by STPI & the BPO Unit will not be eligible for any refund.
- (ii) The BPO Unit/Call Center shall be under obligation to furnish any information sought by an authorized representative of DeitY/ STPI, within a reasonable time frame and failure to do so may amount to forfeiture of Bid Security/ Encashment of Bank Guarantee, as the case may be.

- (iii) The Deity shall be at liberty to relax any condition, for reasons to be recorded in writing, for achieving the larger objective of this Scheme and removal of difficulties.

- (iv) Time under force Majeure will not be considered in the 2 years period of operations, subject to the BPO Unit produce evidence of the date of occurrence and the duration of the force Majeure in an adequate manner by means of documents drawn up by responsible authorities.

11 SCOPE OF WORKS

11.1 SETTING UP BPO OPERATIONS

The successful bidder shall set up a BPO operations as per IPA.

The successful bidder shall provision the following requirements to meet their business requirements:

- Creation of Interiors.
- Technical infrastructure such as Servers, Storage, Printers, Fax, EPABX etc.
- Network Connectivity: Internet, LAN, etc.
- BPO Hardware/Software as required.
- Support infrastructure: Air-conditioned, UPS etc as required.

11.2 DEVELOPMENT OF REQUIRED FACILITY/SUPPORT INFRASTRUCTURE

Successful bidder shall provision a fully-functional BPO set up with the following indicative infrastructure in order to perform its activities effectively in the acquired/leased/rented space. List of admissible items for capital support (Appendix-E) should be purchased in the name of Applicant bidder.

- Air-conditioning (AC), UPS, DG
- Interiors: Portioning, Cabins, Meeting Rooms, Cafeteria, Furniture, etc.
- Electrical Wiring & fittings
- Power back-up facility
- Workstations, Headphones, CRM, IVRS, Dialer etc
- Servers, Networking & Storage equipment as required
- Network Cabling, CCTV
- Other misc. goods not exceeding 5 % of the total cost of above items including Tools, kits and spares.

11.3 RECRUITMENT OF MANPOWER AND TRAINING

The Successful bidder shall employ local youth of NER. The bidder shall also create, train, manage, motivate and retain the manpower with adequate training as per the business requirements.

11.4 OPERATION & MAINTENANCE OF THE FACILITY

The bidder shall be responsible for Operation & Maintenance of the BPO operations but not limited to the following:

- Remuneration/Salary: The bidder shall have sufficient funds to meet the remuneration/salary requirements of the manpower for three years.
- Support Infrastructure: The bidder shall renew the AMC regularly for AC, UPS, DG, Building Management System etc. uninterrupted operations of the business.
- Technical Infrastructure: The bidder shall form O&M team consists of Project Manager, BPO Expert, System Administrator, Network Administrator, etc.
- The successful bidder shall ensure the safety and security for the BPO equipment and the building facilities.

11.5 MARKETING OF BPO SERVICES

The successful bidder shall be required to Market their Services for generation of revenues.

11.6 OPTIMAL USAGE OF THE CAPACITY

The bidder shall make all the efforts to employ at least 1.5 times the number of seats to achieve the employment Target.

11.7 REVIEW AND AUDIT OF OPERATIONS

- To support and facilitate STPI during its periodical review of the operation.
- To conduct the system audit periodically.
- To extend support and provide all the documentation during audit of STPI

11.8 MANAGE RISKS

- The successful bidder shall identify and bear all the risk associated with Implementation and Operations& Maintenance of the BPO for the entire contract period at his own expense.
- The successful bidder shall identify and bear all the risks involved with Sales, Service Quality and Standards, Revenue collections and sustainability of the operations at his own expense.
- STPI shall not compensate for any losses if any incurred by the Successful Bidder during entire contract period.

12. List of Appendices

Appendix - A:

Covering Letter

To,

The Director General,
Software Technology Parks of India
9th Floor, NDCC-II Building,
Jai Singh Road (Opp. Jantar Mantar),
New Delhi-110 001

Sub: Setting up of BPO operations under the “North East BPO Promotion Scheme (NEBPS)”

Ref: RFP No.

Sir,

This has reference to the RFP document [No.Dated.] regarding setting up of the BPO operations under the **NEBPS**.

All the provisions of this RFP Document are acceptable to Ms ABC Company .The undersigned is authorized signatory on behalf of M/s ABC Company and is, therefore, competent Authority to submit this Bid (Power of Attorney Enclosed). The Tender fee of Rs. 5000/- is enclosed with the Technical Bid.

Yours faithfully,

(Signature of the Bidder)

Printed Name

Designation

Seal

Date:

Business Address, Email & Contact Number

Format for Technical Eligibility

S.N.	Criteria	Proof of Documents	BPO Unit's Response (Yes/No)	Document Evidence (Page Number references)
1.	Registered in India under the Companies Act, 2013 as amended till date	Copy of Certificate of Incorporation		
2.	Undertaking to operate for a minimum period of 3 years and commitment to employ atleast 1.5 times the number of seats, for which the bid is submitted.	Self Certification by the Authorized Representative		
3.	<p>(i) Proof of Ownership of the premise for setting up BPO operations (provide documentary evidence).</p> <p>(ii) Details of lease of premises for atleast 3 years with area and location along with copy of lease agreement for setting up BPO operations.</p> <p>(iii) Undertaking to take appropriate premise (@40sq.ft./seat) on lease for atleast 3 years for setting up BPO operations.</p>	As applicable		
4.	Bidder should have been in the business of running a Call Centre/BPO Unit anywhere in India for immediate past 3 years	Copy of Balance Sheet/Chartered Accountant Certificate.		

S.N.	Criteria	Proof of Documents	BPO Unit's Response (Yes/No)	Document Evidence (Page Number references)
5.	Average annual turnover of Rs. 5 crore, from BPO operations during the immediate past 3 financial years. (Copy of Balance Sheet/Chartered Accountant Certificate). In case of consortium please provide details as per Table-A below.	Copy of Balance Sheet/Chartered Accountant Certificate. Copy of IT Returns for immediate past 3 financial years.		
6.	Bidder should have positive net worth as on 31/03/2014, duly certified by Chartered Accountant.	CA Certificate		
7.	Technical resource availability	Attach copy of CVs of 5 key resources.		
8.	Should not be under declaration of ineligibility for corrupt or fraudulent practices or blacklisted by any of the Government agencies	Furnish Undertaking as per Appendix-D		
9	The necessary permissions and registration required as per the DoT guidelines w.r.t BPO operations.	Furnish necessary supporting documents / registration certificates		
10	The registration certificate(s) and other applicable documents such as PAN, Service Tax, VAT, Labor Department etc., and any other statutory requirements to operate in the NE region to be submitted.	Furnish applicable registration certificates /documents		

Table-A. Equity Share Holding Pattern of Consortium

S. No.	Name of Member	Equity share holding percentage	Role (Specify whether Lead Member /Consortium Member,etc.)
1.			
2.			
3.			
4.			
5.			

(Authorized Signatory for the Bidder)

Name:

Date:

Contact Number:

E-mail:

Bidder's Client Reference

Location	Name of the Customer/ organization	Projects Executed	Contact name	Contact number (Phone / mobile)	Mail ID

Bidders should highlight their expertise in executing such projects.

Copy of Work Orders / Purchase Orders executed to be submitted

(Authorized Signatory for the Bidder)

Name:

Date:

Contact Number:

e-mail ID:

Appendix-D

Declaration Regarding Clean Track Record

To,

The Director General,
Software Technology Parks of India
9th Floor, NDCC-II Building,
Jai Singh Road (Opp. Jantar Mantar),
New Delhi-110 001

Sir,

This has reference to the RFP document [No.Dated.] regarding setting up of the BPO operations under the **NEBPS**.

I hereby declare that M/s ABC company has not been debarred/black listed by any Government / Semi Government organizations in India. I also certify that I am competent to make this declaration on behalf of the Company.

Yours faithfully,

(Signature of the Bidder)

Printed Name

Designation

Seal

Date:

Business Address, Email & Contact Number

(LIST OF ADMISSIBLE ITEMS FOR CAPITAL SUPPORT)

S. No.	<i>Item Description</i>
1.	Servers with OS
2.	Software and Hardware per license cost for BPO/Call Centre Business operations
3.	Networking Equipment (Switches, Routers, Firewalls, Voice/Video Conferencing Gateways)
4.	Workstations (Desktop, Laptop, Tablets, IP phones, Headsets)
5.	Data Storage
6.	Structured Cabling
7.	UPS
8.	Printer, Copier, Scanner & Projector
9.	Refrigerator & Water Purifier
10.	Fire & Security Items
11.	Computer Furniture
12.	Electrical wiring & fittings
13.	Central Air-conditioning equipment, air-conditioning System
14.	Captive Diesel Generating Set and transformer of capacity commensurate with the actual requirement of the unit , solar power / Non-conventional Energy Generation Set (OPTIONAL)*
15.	Fax Machine
16.	Private automatic branch exchange
17.	Data Communication Equipment, Modem & VSA
18.	Other misc. goods not exceeding 5 % of the total cost of above items including Tools, kits and spares

* The unit may avail incentive on Generating Set from the State Govt., if needed.

Note: Any item not covered above shall be decided by and permitted by NEBPS Management Committee (NMC).

Format for Financial Bid

State	Name of the location (City/Town)	Number of seats for each location	Bid amount per Seat *for Viability Gap Funding (VGF) (in figures)	Bid amount per Seat * for Viability Gap Funding (VGF) (in words)
Assam	(i) (ii) (iii) (iv) (v)			
Arunachal Pradesh	(i) (ii) ...			
Manipur	(i) (ii) ...			
Meghalaya	(i) (ii) ...			
Mizoram	(i) (ii) ...			
Nagaland	(i) (ii) ...			
Sikkim	(i) (ii) ...			
Tripura	(i) (ii) ...			

(Authorized Signatory for the Bidder)

Name:

Date:

Contact Number:

E-mail:

* Bid amount for a State should be same across all the locations of that State.

Note:

1. The bidder to quote the most reasonable amount of Capital Support (VGF) subject to the ceiling of Rs.1 lakh/seat.
2. Total No. of seats proposed not to exceed 500 /bidder.

Implementation Timelines.

Sl. No	Activity	Timelines	Remarks
1.	Award of IPA	T0	Beginning of the time schedule
2.	Signing of Contract	T1=T0+02 weeks	-
3.	Commencement of BPO/Call centre operation	T2 = T0+06 months	
4.	Report to STPI about commencement of operation	T3 = T2+02 months	
5.	Request for release of financial support as per the agreed amount and submission of PBG	T4 = T3+01 month	

Note:

- The Time line shown above is the maximum allowable time frames for each activity.
- The timelines are as per English calendar days.

Form of Financial Bank Guarantee

In consideration of the Software Technology Parks of India (hereinafter called “STPI”) having agreed to allow M/s. (Hereinafter called “the said Contractor(s)”) from the demand under the terms and conditions of an Agreement No. for the work of (hereinafter called “the said Agreement” for furnishing Performance Bond for the due fulfillment by the said Contractor(s) of the terms and conditions in the said Agreement, by production of a BANK GUARANTEE for Indian Rs (Indian Rs only). We the (Name of the Bank) having our Head Office at and having branch at referred to as “the Bank” at the request of M/s..... Successful Bidder(S) do hereby undertake to pay to STPI an amount not exceeding Indian Rs (Indian Rs only).

We (Name of the Bank) branch do hereby undertake to pay the amounts due and payable under this guarantee without and demure, merely on a demand from STPI stating that the amount claimed is required to meet the recoveries due or likely to be due from the said Successful Bidder(s). Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs (Rs only).

We undertake to pay to the STPI, the amount due under this Guarantee so demanded notwithstanding any dispute to disputes raised by the Successful Bidder(s) in any suit or proceeding pending before any Court or Tribunal relating thereto, our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder.

We (Name of the Bank) branch further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till the dues of STPI under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till the Project Coordinator on behalf of STPI certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Successful Bidder(s) accordingly discharges this guarantee.

We (Name of the Bank) branch further agree with STPI, that STPI shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Successful Bidder(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by STPI against the said Successful Bidder(s) and to forbear or enforce any of terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation or

extension being granted to the said Successful Bidder(s) or for any forbearance act or omission on the part of the STPI or any indulgence by the STPI to the said Successful Bidder(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

This guarantee will not be discharged due to the change in the constitution of the Bank or the Successful Bidder(s).

We hereby waive the necessity of your demanding the Successful Bidder before presenting us with the demand.

We (Name of the Bank) Branch lastly undertake not to revoke this guarantee except with the previous consent of the STPI in writing.

This guarantee shall be valid upto unless extended on demand by STPI. Notwithstanding anything contained herein before our liability against this guarantee is restricted to Indian Rs (Indian Rs only). and it will remain in force till unless a claim or demand in writing is made against us under this guarantee before the expiry of six months from the aforesaid date that is before of

..... (.....) all your rights under the said guarantee shall be forfeited and we shall be relieved and discharged from all liability hereunder.

Dated the ... day offor (Name of the Bank) Branch.

WITNESS 1

WITNESS 2

..... (Signature)..... (Signature)

Attorney as per Power of Attorney:

Attorney Number & Date :

In-Principle Approval Format

M/s

Subject: In-Principle Approval (IPA) to setup BPO operations under North East BPO Promotion Scheme (NEBPS)-reg.

This has reference to your bid dated, pursuant to the RFP issued by STPI vide dated and subsequent correspondence/discussions (wherever applicable).

2. In the above context, the undersigned is directed to convey the In-Principle Approval (IPA) to M/s ABC Company to setup BPO operations under NEBPS as per the details given below : -

State (1)	City/Town(s) (2)	Number of Seats/City (3)	Capital Support per seat (VGF)* (4)

* Upto 50% of one time expenditure incurred on admissible items at each of the location(city/town) subject to above capital support per seat, whichever is lower.

3. M/s ABC Company shall be under obligation to commence its BPO operations within 6 months, from the date of issue of this IPA.
4. Please convey your acceptance of the IPA and submit the Master Service Agreement (MSA) **separately for each of the location (city/town)**, duly signed and stamped by the Authorized Signatory within a period of 2 weeks from the date of issue of this IPA.

Sr. Director, STPI

Copy to: All members of NMC

Format

Master Service Agreement(MSA) for Setting up of BPO operation at “XYZ city/town”
under NEBPS

This **MASTER SERVICE AGREEMENT (MSA)** is made on this day _____ between **Director General, Software Technology Parks of India (STPI)**, an autonomous society of Dept. of Electronics and IT, Govt of India, located 9th Floor, NDCC-II Building, Jai Singh Road (Opp. Jantar Mantar), New Delhi-110 001 hereinafter called “FIRST PARTY” which expression shall include its successors-in-interest, legal representatives and permitted assigns, if any;

AND
..... , India hereinafter called “SECOND PARTY” which expression shall include its successors-in-interest, legal representatives and permitted assigns, if any.

WITNESSTH

NOW THEREFORE THE PARTIES HERETO HEREBY AGREE AND THIS AGREEMENT WITNESSETH AS FOLLOWS

Definitions

First Party: DIRECTOR GENRAL, STPI, 9th Floor, NDCC-II Building, Jai Singh Road (Opp. Jantar Mantar), New Delhi-110 001, Implementation Agency of the North East BPO Promotion Scheme (NEBPS).

Second Party: M/s ...ABC Company..... Represented by its authorized signatory.

Bid Response: The bid submitted by the SECOND PARTY accepting the terms of the RFP & Corrigendum if any published by the FIRST PARTY.

Scheme: The North East BPO Promotion Scheme proposes to provide the following capital support in the form of Viability Gap Funding (VGF) to eligible Companies, to encourage the growth of the IT Industry in the North Eastern Region (NER) through BPO operations.

Capital Support: Upto 50% of one time expenditure incurred on admissible items (*Annexure-II*) or Rs. per seat as per IPA, whichever is lower.

RFP: The Request for Proposal (RFP) published by the FIRST PARTY for the selection of the companies willing to setup BPO operations and to meet the obligations of the RFP. The RFP document refers to the RFP document dated

BPO: The facility setup and operated by the selected bidders in the North East Region.

1. The terms and conditions contained in RFP issued vide STPI's No. dated and IPA issued vide no. dated, which many not have been exclusively mentioned in this Agreement, shall however form part of this Agreement.

2. Agreement Period

This Agreement shall be effective from the date of signing MSA and shall remain valid till the expiry of a period of 3 (three) years from the date of commencement of BPO Operations.

3. Capital Support

3.1 Upto 50% of one time expenditure incurred on admissible items (*Annexure-II*) or Rs. per seat as per IPA, whichever is lower.

3.2 A Company, seeking to avail capital support under this scheme, shall be under obligation not to claim the similar capital support under any other Scheme of the Central/State Government concerned.

4. Commitment of the Second Party

4.1 Must commit itself to employ at least 1.5 times the number of seats quoted i.e. employment target.

4.2 The Second Party shall:

- (i) commit to set-up BPO operations for 'N' number of seats and operate it for a minimum period of Three Years from the date of commencement of the BPO operations.
- (ii) start operations within 6 months from the date of issue of In-Principle Approval (IPA).

5. General Terms and Conditions

5.1 The Second Party (BPO Unit) shall be under obligation to commence its BPO operations within 6 months, from the date of issue of In-Principle Approval referred above. Failure to do so shall automatically result in forfeiture of the Bid Security and cancellation/termination of IPA/Agreement.

5.2 Soon after the commencement of BPO Operations, the Second Party shall report the fact of commencement of its operations within a period of two months, along with the request for release of financial support as per the agreed amount. This financial support shall be released in 2 installments as under, subject to fulfillment of all formalities and compliance with various conditions laid down in this scheme:

- (a) **First Installment shall be upto 50% of the total capital support, to be calculated on pro-rata basis,** subject to meeting at least 50% of employment target and further *subject to verification of required proofs/documents and site inspection by STPI.*

*For example, assuming a BPO Unit received approval of 200 seats BPO operation (Employment Target = $1.5 * 200 = 300$). The Second Party can claim first installment after employing at least 150 (50% of target employment) on pro-rata basis. If applicant employs 150 employees for BPO/Call Center operations and had got approval of 200 seats quoting support of Rs. 1,00,000/seat, then it will get Rs. 50, 00, 000 [$1,00,000 * 200 * (50/100) * (150/300)$] as first installment subject to verification of required proofs/documents and site inspection by STPI.*

- (b) **Second Installment shall be upto 50% of the capital support, to be calculated on pro-rata basis,** subject to meeting at least 50% of employment target and further, *subject to verification of required proofs/documents and site inspection by STPI.* This installment shall be released any time after the expiry of three months period (but not later than six months) from the date of release of first installment.

*For example, assuming 200 seats Second Party received first installment of Rs. 100 lakhs fulfilling the target employment criteria (50% of Rs. 2 crore) for capital support, but at time of second installment it employs only 150 employees, then it will receive Rs. 50 lakhs ($150/300 * Rs. 100$ lakhs) subject to verification of required proofs/documents.*

- 5.3 The Second Party would be required to furnish a Financial Bank Guarantee from a Nationalized Bank for approved amount of Capital Support, valid for a period of 2 years for each installment under Capital Support (excluding period of claim).

- 5.4 No support towards Operational Expenditure (OPEX) would be provided to the Second Party.

6. Stakeholder and their responsibilities

6.1 Role of First Party

- To monitor the implementation of the Project, review its performance and provide regular feedback to NMC.
- To release appropriate capital support to the eligible companies after verification of the documents and other checks & balances.
- To maintain separate accounts for this scheme and the same be covered under the internal audit of STPI.

6.2 Role of Second Party: The Second Party shall:

- Setup BPO operations in North Eastern Region, at the approved location.
- Generate business from the Open Market.

- Operate & Maintain the facility at least during the entire contract period.
- Absorb all the risk and costs associated with setting up and O&M phases of the BPO operations.
- Encourage employment of local youth of NER for the BPO operations.
- Employ at least 1.5 times the number of seats (employment target), of the total quoted seats.
- Make efforts to employ 3 times the number of seats to fulfill the vision of the scheme.

6.3 Responsibility Matrix

Sl. No	Activity	STPI (First party)	Successful Bidder (Second Party)
1.	Procurement and installation of Capital Equipment (Hardware, Software etc) that are required for setting up of BPO operations.		√
2.	Recruitment of manpower and Training		√
3.	Confirmation of commencement of BPO Operations	√	√
4.	Operations and Maintenance of Call Center/BPO for the entire agreement period.		√
5.	Payment towards capital support (1 st & 2 nd Installments) subject to fulfillment of all conditions by the successful bidder	√	
6.	Absorb all the risks and costs associated with O & M, Marketing, Sales and Providing Service to the customer for the entire agreement period.		√
7.	Performance Review	√	

7. Second Party's Employees (Implementation and Operations Team)

- 7.1 SECOND PARTY at its own expenses shall deploy skilled & experienced professionals in the area of BPO, operations, maintenance etc both during implementation and operations of the BPO. Such skilled resources are necessary for the proper and timely execution and commencement operations of BPO.

The overall project works shall be monitored by the experienced project manager designated by the SECOND PARTY.

- 7.2 SECOND PARTY is expected to have adequate resources working in tandem with the professionals during implementation of the project for timely completion & commencement of the BPO project.
- 7.3 During O&M Period, SECOND PARTY is expected to deploy adequate O&M Team to take care of both Technical and Business operations.
- 7.4 The Second Party shall meet all the Operational Expenses.

8. Second Party's Co-ordination

The SECOND PARTY shall work in overall interest of the Project / Work in consultation with FIRST PARTY or its representatives to meet the set objectives of NEBPS.

9. Statutory and Other Obligations regarding workmen

The SECOND PARTY shall comply with all applicable Government Regulations and Enactments pertaining to its employees, workmen and labor and FIRST PARTY shall be indemnified from and against any and all loss arising from SECOND PARTY'S non-compliance with such laws and regulations.

10 Safety Regulations

The SECOND PARTY shall be responsible to take all precautions to ensure the safety of the person or property of the User while performing its obligations hereunder.

The SECOND PARTY undertakes to comply with all sorts of safety measures under the applicable law in regards to men and material deployed for the project.

11 Confirmation of Commencement of BPO Operations

SECOND PARTY must demonstrate to the FIRST PARTY the BPO unit Setup and its operations.

The FIRST PARTY reserves the right to randomly inspect the setup and its operations at any time during the Agreement period.

The Second Party should provide necessary documents regarding recruitment of the manpower for BPO.

Submission of documents such as Client list, Client Purchase/Work Orders, Agreement, Business Plan etc as and when required by the First Party.

12 Performance and Exit Management

12.1 Upon completion of the contract period or upon termination of the agreement for any reasons, the Second Party shall comply with the following:

a. In the event of the Second Party not being able to claim Capital Support within 3 months from the date of commencement of its operations, the BPO Unit will not be eligible for any support whatsoever and the IPA/Agreement shall be deemed to have been cancelled/ terminated.

b. In the event of the Second Party not being able to achieve minimum employment target of 50%, within 3 months from the date of commencement of its operations, the Unit shall not be eligible for any support whatsoever and the IPA/Agreement shall be deemed to have been cancelled/ terminated.

c. The Second Party will be obligated to furnish quarterly performance report, inter-alia, indicating the average monthly employment in the Unit. At the stage of release of Bank Guarantee, average employment of last two years will be calculated. In the event of the BPO Unit not meeting the employment target (based on which the capital support was released), the STPI would be at liberty to invoke the Bank Guarantee.

d. In case the Second Party claims full amount of bid, based on achieving the employment target, the Unit needs to insure the employment target in the next 2 years. In case of short fall, Bank Guarantee would be invoked & amount would be refunded on pro-rata basis and the balance would be retained by STPI for NEBPS.

e. In case the Second Party avails pro-rata incentives in first/second installments (due to not meeting the employment target), at the time of exit the amount would be released as under:

- (i) Full amount of Bank Guarantee released if the Unit maintains the average pro-rata employment target.*
- (ii) If there is a short fall in the average pro-rata employment, corresponding to the incentives then the Bank Guarantee would be invoked by STPI and amount would be refunded on pro-rata basis to BPO Unit & balance would be retained by STPI for NEBPS.*

f. In case the average employment is less than 50% of the employment target, Bank Guarantee would be invoked by STPI & the Second Party will not be eligible for any refund.

12.2 The Second Party shall be under obligation to furnish any information sought by an authorized representative of DeitY/ STPI, within a reasonable time frame and failure to do so may amount to forfeiture of Bid Security/ Encashment of Bank Guarantee, as the case may be.

12.3 The DeitY shall be at liberty to relax any condition, for reasons to be recorded in writing, for achieving the larger objective of this Scheme and removal of difficulties.

12.4 Time under Force Majeure will not be considered in the 2 years period of operations, subject to the *Second Party produce* evidence of the date of occurrence and the duration of the Force Majeure in an adequate manner by means of documents drawn up by responsible authorities.

13. SCOPE OF WORKS

13.1 SETTING UP BPO OPERATIONS

Second Party shall set up a BPO operations as per IPA.

The Second Party shall provision the following requirements to meet their business requirements:

- Creation of Interiors
- Technical infrastructure such as Servers, Storage, Printers, Fax, EPABX etc.
- Network Connectivity: Internet, LAN, etc.
- Call Center/BPO Hardware/Software as required
- Support infrastructure: Air-conditioned, UPS as required

13.2 DEVELOPMENT OF REQUIRED FACILITY/SUPPORT INFRASTRUCTURE

Second Party shall provision a fully-functional BPO set up with the following indicative infrastructure in order to perform its activities effectively in the acquired/leased /rented space. **List of admissible items for capital support (Annexure-II) should have been purchased in the name of the *Second Party*.**

- Air-conditioning (AC), UPS, DG
- Interiors: Portioning, Cabins, Meeting Rooms, Cafeteria, Furniture, etc.
- Electrical Wiring & fittings
- Power back-up facility
- Workstations, Headphones, CRM, IVRS, Dialer etc
- Servers, Networking & Storage equipment as required
- Network Cabling, CCTV
- Any other item i.e tools, kits and spares as required

13.3 RECRUITMENT OF MANPOWER AND TRAINING

The *Second Party* shall also create, train, manage, motivate and retain the manpower with adequate training as per the business requirements.

13.4 OPERATION & MAINTENANCE OF THE FACILITY

The *Second Party* shall be responsible for Operation & Maintenance of the BPO but not limited to the following:

- Remuneration/Salary: The *Second Party* shall have sufficient funds to meet the remuneration/salary requirements of the manpower.
- Support Infrastructure: The *Second Party* shall renew the AMC regularly for AC, UPS, DG, Building Management System etc. uninterrupted operations of the business.
- Technical Infrastructure: The *Second Party* shall form O&M team consists of Project Manager, Call Center/BPO Expert, System Administrator, Network Administrator, etc.
- The Second Party shall ensure the safety and security for the BPO equipment and the building facilities.

13.5 MARKETING OF BPO SERVICES

The Second Party shall be required to Market their Services for generation of revenues.

13.6 OPTIMAL USAGE OF THE CAPACITY

The Second Party shall make all the efforts to employ at least 1.5 times the number of seats to achieve the employment Target.

13.7 REVIEW AND AUDIT OF OPERATIONS

- To support and facilitate STPI during its periodical review of the operation.
- To conduct the system audit periodically as per the advice of STPI.
- To extend support and provide all the documentation during statutory audit and the auditors would be appointed by STPI.

13.8 MANAGE RISKS

- The Second Party shall identify and bear all the risk associated with Implementation and Operations & Maintenance of the BPO for the entire Agreement period at his own expense.
- The Second Party shall identify and bear all the risks involved with Sales, Service Quality and Standards, Revenue collections and sustainability of the operations at his own expense.
- STPI shall not compensate for any losses if any incurred by the Second Party during entire contract period.

14 PROJECT TIMELINES

The estimated timeline shall be as laid down in **Annexure-I**. The start date of the project shall be from the date of issue of IPA.

15 DELAY AND NON-CONFORMANCE

The Second Party (BPO Unit) shall be under obligation to commence its BPO operations within 6 months, from the date of issue of In-Principle Approval (IPA) referred above. Failure to do so shall automatically result in forfeiture of the Bid Security and cancellation/termination of this MSA/IPA.

16 LIQUIDATED DAMAGES (PENALTY)

If the Second Party fails to meet the Employment Target i.e. average employment of the last two years (Based on which the capital support were released), the First Party shall invoke the Bank Guarantee.

17 FORCE MAJEURE

STPI may grant an extension of time limit set for the completion of the work, in case the timely completion of the work is delayed by Force Majeure conditions beyond the Second Party's control, subject to what is stated in the following sub paragraphs and the procedures detailed there in being followed. Force Majeure is defined as an event of effect that cannot reasonably be anticipated such as Acts of God (like earthquakes, floods, storms etc.), acts of States, the direct and indirect consequences of wars (declared or undeclared), hostilities, national emergencies, civil commotion and strikes (only those which exceed a duration of ten continuous days) at Second Party's premises. The *Second Party's* right to an extension of the time limit for completion of the work in above mentioned cases is subject to the below mentioned procedures:

That within 15 days after the occurrence of a case of Force Majeure but before the expiry of the stipulated date of completion, the Second Party informs the STPI in writing that the *Second Party* considers himself entitled to an extension of the time limit.

That the Second Party produces evidence of the date of occurrence and the duration of the Force Majeure in an adequate manner by means of documents drawn up by the responsible authorities.

That the Second Party proves that the said conditions have actually interfered with the performance of the Agreement.

18 ARBITRATION

All disputes, differences, claims and demands arising under this MSA shall be referred to arbitration of a sole arbitrator to be appointed by the DG, STPI.

The provisions of the Arbitration and Conciliation Act, 1996 and all its amendments till date shall be applicable and the award made there under shall be final and binding upon the parties hereto, subject to legal remedies available under the law.

19 Jurisdiction

The Courts at New Delhi shall have the jurisdiction in case of litigation between the parties.

20 THIRD PARTY CLAIMS

The Second Party (the "Indemnifying Party") undertakes to indemnify DeitY/ STPI (the "Indemnified Party") from all losses, claims for damages on account of bodily injury, death and damage to real property, tangible/ intangible personal property.

21 LIMITATIONS OF LIABILITY

The Second Party shall ensure no limitation of liability in case of any damages for bodily injury (including death) and damage to real property and tangible personal property as also intangible personal property and intellectual property rights.

22 NON WAIVER

Waiver of any breach of the provision of, or any default under the contract must be in writing and signed by the Party granting the waiver. No failure or delay on the part of either Party in exercising or any omission to exercise any right or remedy accusing to either Party under the contract shall be a waiver thereof, nor will any partial exercise of any right or remedy particular be a waiver of further exercise of that right or remedy.

EXECUTED under hand in three originals the day and year first before written

SIGNED for and on behalf of THE SECOND PARTY

BY _____

Signature _____

Title _____

Company Stamp/Seal

MSA- BPO operations in NER

Witness _____

SIGNED for and on behalf of THE FIRST PARTY

BY _____

Signature _____

Title _____

Company Stamp/ Seal

Witness _____

ANNEXURE-I**IMPLEMENTATION TIMELINES**

Sl. No	Activity	Timelines	Remarks
13	Award of IPA	T0	Beginning of the time schedule
14	Signing of Contract	T1=T0+02 weeks	-
15	Commencement of BPO/Call center operation	T2 = T0+06 months	
16	Report to STPI about commencement of operation	T3 = T2+02 months	
17	Request for release of financial support as per the agreed amount and submission of PBG	T4 = T3+01 month	

Note:

- The Time line shown above is the maximum allowable time frames for each activity.
- The timelines are as per English calendar days.

ANNEXURE-II**List of admissible items for Capital Support**

<i>S. No.</i>	<i>Item Description</i>
1	Servers with OS
2	Software and Hardware per license cost for BPO/Call Centre Business operations
3	Networking Equipment (Switches, Routers, Firewalls, Voice/Video Conferencing Gateways)
4	Workstations (Desktop, Laptop, Tablets, IP phones, Headsets)
5	Data Storage
6	Structured Cabling
7	UPS
8	Printer, Copier, Scanner & Projector
9	Refrigerator & Water Purifier
10	Fire & Security Items
11	Computer Furniture
12	Electrical wiring & fittings
13	Central Air-conditioning equipment, air-conditioning System
14	Captive Diesel Generating Set and transformer of capacity commensurate with the actual requirement of the unit , solar power / Non-conventional Energy Generation Set (OPTIONAL)*
15	Fax Machine
16	Private automatic branch exchange
17	Data Communication Equipment, Modem & VSA
18	Other misc. goods not exceeding 5 % of the total cost of above items including Tools, kits and spares

* The Second Party may avail incentive on Generating Set from the State Govt., if needed.

Note: Any item not covered above shall be decided by and permitted by NEBPS Management Committee (NMC).