



Government of Kerala

Abstract

Local Self Government Department – Computerisation of Local Bodies Infrastructure by Public Private Partnership (under Build Operate Lease & Transfer mode) through Kerala State Industrial Development Corporation (KSIDC) – amendment to Request for Proposal approved – orders issued.

LOCAL SELF GOVERNMENT (D) DEPARTMENT

GO (MS) No.205/2004/LSGD

Thiruvananthapuram, Dated 22/06/2004

- Read:
- (1) G.O.(MS)No. 219/02/LSGD dated 17.12.02.
 - (2) G.O.(MS)No. 181/03/LSGD dated 11.06.03
 - (3) G.O.(MS)No. 316/2003/LSGD dated 30.10.2003
 - (4) Letter No. 42 dated 5.04.2004 from Managing Director, KSIDC
 - (5) Letter No. 76 dated 13.04.2004 from Managing Director, KSIDC

ORDER

Information Kerala Mission (IKM) is the mission group established by the Government of Kerala for computerisation of LSGIs in the State. As per the Government Order read on 1st paper above sanction was accorded interalia for

- a) The computerisation of LSGIs shall be done with Public Private Partnership.
- b) The broad functional roles of the Local Self Government Department (LSGD), the Information Kerala Mission and the Private vendor in the partnership shall be as follows:
 - i) The private vendor shall establish and maintain the infrastructure for computerisation and also undertake training and handholding.
 - ii) The Information Kerala Mission shall provide the application software, training material and technical inputs for implementation.
 - iii) It shall be responsibility of the Local Self Government Department (LSGD) in Government to handle the contract agreement for this project of computerisation of Local Bodies and make available lease charges from Local Self Government Institutions (LSGIs) to the private vendor, and ensure that the vendor and IKM deliver their respective roles properly.

- c) Local Self Government Department was also permitted to avail the services of M/s. Pricewaterhouse Coopers, Consultant for Global Investors' Meet (GIM) to structure the Request for Proposal (RFP).
- 2) The initial Request for Proposal by Information Kerala Mission was improved by M/s. Price Waterhouse Cooper (RFP Version 1.0). The main aspects of the proposal were as follows:
- a) The Public Private Partnership shall be in the Built-Operate-Lease-Transfer mode with transfer after 5 years. The evaluation criteria, was based on a formula for price-quality index.
 - b) The implementation involved a project plan extending 14 months in four phases.
 - c) A bid document price of Rs.27,000 and Earnest Money Deposit (EMD) of Rs.5 lakhs, and a performance guarantee of Rs.7.5 crores were fixed.
 - d) The bidder could be either a company or a consortium with prescribed pre-qualification conditions, and in the case of consortiums a local partner with presence in minimum 8 districts was mandatory. The company / members of the consortium shall also have minimum specified turn-over and net-worth.
 - e) For pre-qualification, net-worth of the firm shall be Rs.50 crores.
- 3) The RFP Version 1.0 after modifications arising from consultations after circulation to Departments of Planning, Information Technology, Finance and Law was approved by the LSG Department (RFP Version 2.0).
- 4) As per the Government order read 2nd paper above, sanction was accorded to Local Self Government Department for approaching KSIDC for undertaking notification of the tender and complete the various stages from tender till the proposal for award, and to meet the consultancy charges for the service from the additional central assistance sanctioned to IKM for the activities of computerisation of three tier Panchayats. It was also specified in the G.O. that separate orders would be issued regarding coordination mechanisms between the user departments and agencies involved.
- 5) The LSGD had approached the Kerala State Industrial Development Corporation (KSIDC) to function as a bid manager for undertaking notification of the tender and complete the various stages from tender till proposal for award.
- 6) KSIDC, the Bid Manager had identified M/s. Wipro Ltd. (Consulting Division) through a public tender, as their consultants for bid management. M/s. Wipro has proposed some changes in the RFP Version approved by LSGD. Accordingly the Managing Director, KSIDC in his letter 5th read above has forwarded the Request for Proposal for vetting.
- i) It has been proposed to change the business model from Build-Operate-Lease-Transfer (BOLT) mode to Build-Transfer-Maintain

(BTM) mode. The transfer of ownership of equipment shall be after completion of the 4 phases of deployment of the project in 20 months.

- ii) It is proposed to change the evaluation criteria from the formula based price-quality index to a regression line based price-quality index.
- iii) Strict service level agreements have been incorporated to ensure that the service provider vendor performs the services as required and would be liable to pay penalties in case there are short falls in performance.
- iv) Provision for Insurance for equipments has been added.
- v) The project plan in 4 phases has been changed from 14 months to 20 months. The number of locations in phase I has been reduced from 1049 to 437.
- vi) The bid document price, Earnest money deposit (EMD) and performance guarantee have been changed from Rs.27,000, Rs.5 lakhs and Rs.7.5 crores to Rs.25,000, Rs.30 lakhs and Rs.2 crores respectively.
- vii) Data-entry and pre-processing has been included as the responsibility of the vendor to ensure that the project proceeds as scheduled.
- viii) The mandatory presence of the local partner vendor shall be 7 districts instead of 8.
- ix) IPR clauses and force majeure conditions were also simpler to read.
- x) Net-worth criteria has been removed from pre-qualification.

7) Government have examined the matter in detail and are pleased to accept the Request for Proposal version no. 5 submitted by KSIDC with the following conditions:

- i) Data-entry and pre-processing of data shall be made the domain function of the Integrated Service Provider (ISP) to ensure that the Integrated Service Provider transfers the ownership with fully loaded data only.
- ii) Net-worth of the firms should be retained in the pre-qualification criteria.
- iii) The performance guarantee should be retained as Rs.7.5 crores.
- iv) The force majeure clause be amended by restricting it to the claims to the events.

- v) The equipments already installed as part of computerisation in the Local Self Government Institutions shall be made part of the project without depreciation.
- vi) Concurrence of the Finance Department should be obtained before awarding the contract with details of financial commitment in each year and the head of account in which the debit to be made is to be specified.
- vii) The contract form for the comprehensive agreement between the Vendor and the Local Self Government Department, covering installation, maintenance, firm period of contract, conditions of payment, insurance, loss etc., be legally vetted again before award of contract.
- viii) The cost of tender form may be fixed based on estimated cost according to the Store Purchase Rules.
- ix) The EMD is fixed as 1% of the estimated cost.
- x) The RFP document version 5 is approved with the above changes.

By order of the Governor

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P. Kamalkutty
Secretary to Government

To

- ✓ The Executive Mission Director, Information Kerala Mission,
Thiruvananthapuram
- The Managing Director, Kerala State Industrial Development Corporation,
Thiruvananthapuram
- The Secretary, State Planning Board, Thiruvananthapuram
Planning & Economic Affairs Department
- The Secretary, Cultural Affairs Department
- Accountant General (Audit), Thiruvananthapuram
- Accountant General (A & E), Thiruvananthapuram
- Information Technology Department, Thiruvananthapuram
- Finance Department (vide U.O. No. 47398/Dev.2/04/Fin dated 7.5.2004)
- Cultural Affairs Department
- Store Purchase Department (Vide U.O. No. 1296/A2/04/SPD dated 19.5.2004)
- Law Department (Vide U.O. No. 7365/D/04/Law dated 27.04.2004)
- P.S. to Chief Minister
- P.S. to Minister (Finance)
- P.S. to Minister (LSGD)
- A.S. to Chief Secretary
- P.A. to Secretary, Finance Department, Thiruvananthapuram

P.A. to Secretary, Planning and Economic Affairs Department,
Thiruvananthapuram

P.A. to Secretary, Local Self Government Department, Thiruvananthapuram

P.A. to Secretary, Information Technology Department, Thiruvananthapuram

P.A. to Secretary, Finance (Expenditure) Department

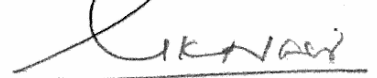
P.A. to Vice Chairman, State Planning Board, Thiruvananthapuram

Director, C-DIT, Thiruvananthapuram

General Administration (SC) Department (Item No. 3018 dated 16.6.2004)

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Forwarded by Order



Section Officer