

Business Analytics Project

Minutes of 4th Technical Committee meeting held on 5th March 2011 at IIT, Mumbai

The 4th Technical Committee meeting on Business Analytics Project was held at IIT, Mumbai. The following were present:

- i. Dr.Deepak Phatak, IIT, Mumbai
- ii. Prof.H.Krishnamoorthy, IISc, Bangalore
- iii. Dr.V.Ravi, IRDBT,Hyderabad
- iv. Prof.B C Jinega , Advisor, IRDA
- v. Mr.N.Srinivas Rao, IES, FA&CAO, IRDA
- vi. Mr.Vinod kakde, GM, NISG
- vii. Mr.A.R.Nithiyanantham . JD/IT
- viii. Representatives of Deloitte.

JD(IT), IRDA briefed the Committee on the actions taken on Minutes of the Technical Committee meeting held on 12th February 2011. The Committee also discussed on the actions taken on Minutes of the Meeting held with Dr.Phatak on 26th February 2011.

The Consultants NISG and Deloitte confirmed the committee that the final clarifications by the bidders have addressed most of the inadequacies identified by the Committee.

The issue of not positioning advanced analytics component by some of the bidders was also discussed. The committee observed that most of the actual users of this project would be interested only to generate high end MIS reports and do basic analytics; the reporting tools proposed by the bidders would meet this requirement. However, while selecting the tools care must be taken to ascertain whether the tools positioned by the bidders take care of advanced ad hoc reporting, better BI functionalities, the flexibility of deploying in heterogeneous environments & presentation of data, extent of dependability of developers in building the reports and its capability of handling large volume of data. The advanced analytics component would be required only by few users since this require special / analytical skills and domain expertise to operate. IRDA may require forming an exclusive analytics team (*comprising of domain experts, statisticians, actuaries etc*) to do such advanced activities. The committee also felt that the role of SI in this regard, would be only to the extent of implementing the BI tools, provide training and making these tools operational.

In view of the above, the committee decided not to treat the advanced analytical capabilities as a critical factor for the evaluation of the proposals

Since it is observed by the committee that sufficient time and opportunities have already been provided to the bidders for clarifying their positions on the gaps/ inadequacies identified in their respective proposals, the committee decided to go ahead in shortlisting the bidders based on the evaluations made by the consultants and the deviations/inadequacies still persisting (even after taking into account the clarifications submitted by them).

The committee observed the following, on each of the proposals submitted by the bidders:

CTS

1. Based on the points discussed on the capabilities of the reporting & analytical tools, the committee observed that the reporting & analytical stack proposed by CTS is not robust when compared to the BI tools like BO, Congnos, and SPSS etc. With the reporting stack proposed by CTS, IRDA may not be able to achieve the objectives of this project even though the SharePoint portal may cater the need of online filing etc.
2. CTS's conditional acceptance of the terms and conditions and its suggestions for *having negotiations on terms & conditions after its winning of contract* are unacceptable.
3. Similarly the suggestions of CTS about freshly defining service level for each of the Service Level identified, upon CTS's winning the contract+ is totally unacceptable to the committee since there would be performance/ financial implications if the defined service levels are not accepted at this stage and this would ultimately increase the cost of the project .

There would be a major risk factor if CTS's clarifications are accepted.

4. The Committee also took note of the contradictory statements given by CTS in respect of service levels

In view of the above and also considering the evaluations made by the consultants, the committee decided not to shortlist CTS.

Infosys

The non-compliance of Infosys on the term that *the database and system administration activities need to be carried out by the SI and not the hosting service provider* was discussed. The committee observed that since this aspect was not requested as a part of the RFP, Infosys's response on this matter may be considered. However, the committee felt that in the event of Infosys emerging as winner of this tender, this term needs to be negotiated with them before finalization. In the event of Infosys refusing to carry out this work internally as this requirement may have some cost implication, Infosys should be insisted on giving a guarantee to IRDA that they shall ensure safety, security & confidentiality of the IRDA data hosted at ISP's premises and also having a back-to-back confidentiality agreement with the ISP.

Since the rest of the inadequacies identified were already met by Infosys, the committee decided to shortlist this bidder.

TCS

The Committee observed the following on the proposal / clarifications made by TCS

- a. Even though the main product (support central) positioned by TCS for E-filing/On-line submissions serves the requirements of RFP, the committee observed that the product does not have a clear road map in terms of further enhancements etc.
- b. The committee felt that the product must have been designed specifically for its group of clients and therefore its enhancements may be only to the extent of requirements of these clients.
- c. The team size and support mechanism for the ~~Support central~~ and its clients using support central needs to be thoroughly verified.
- d. The committee is of the opinion that support Central has been developed on ASP platform which is not as much modern as the contemporary technologies like J2EE , .Net etc.
- e. In the absence of clear road map for this project and with its development platform (asp) being on a older technology, IRDA may require to redesign the portal in the event of discontinuance of its support by TCS. This would enhance the project cost significantly and also the time line.

There would be major risk if this proposal were considered even though the components positioned by TCS in principle serves the requirements stated in the RFP.

Therefore, the committee decided not to shortlist TCS for the next stage of bidding process.

Keane

Several concerns were raised by the committee regarding the ability of Keane to handle a complex project of this nature. It was further noted by the committee that the experiences shown by Keane do not give confidence to the committee that they can handle the project of such complexity and magnitude and the end-to-end requirement of IRDA.

1. The committee decided to assess whether Keane has bidden for any IT projects in India in recent times
2. The M&A Activities which happened in the past and the recent ownership change of Keane by NTT Data, Japan was also discussed. The committee noticed that there should have been a voluntary and proactive commitment letter from the new owner in honoring Keane's technical / commercial proposal and non-availability of such letters from NTT data is a major concern.
3. It was brought to the notice of the Committee by NISG that the Bank Guarantee submitted by Keane for EMD was valid only for a period of 45 days. The EMD should be valid at least till 45 days after finalization of the vendor. The committee felt that the validity of its Bank Guarantee submitted for EMD needs to be ascertained.
4. Committee observed that Keane has agreed to all terms and conditions but has not got much of experience in domestic market as also the experience as a system integrator. Also, Keane has not submitted EMD in the form of DD even though this was clarified in writing to them and rest of the bidders have submitted EMD in the form of DD.

It is important to remember that providing just a software solution of good quality is significantly different from providing an end-to-end-solution which involves several other partners/OEMs. Experience in handling such situation, with the attendant coordination, SLAs, and a single point responsibility is of utmost importance

The Committee felt that if Keane has to be considered for financial bid evaluation, then a closer look has to be taken into the clients of Keane and Keane may be asked a question as to on how many instances they have bidden for the government projects. Hence the Committee decided to seek the above information from Keane and based on their inputs/response, they can be considered for shortlisting or otherwise.

IBM

The Committee observed that the proposal submitted by IBM is incomplete in many respects even though the Technical Solution may be capable of delivering the functional requirements stated in the RFP. The Committee observed the following from IBM's proposal

- a. The bandwidth requirements are integral part of the solution and IBM has not quoted for the same.
 - b. A portion of development work has been out sourced to a third party. However, the RFP term clearly says that the bidder shall not sub-contract the work relating to the design and development of the BAP application.
 - c. IBM has suggested its own payment terms which shows the IBM is not agreeable to the payment terms of RFP.
2. The committee also felt that IBM's attempt / request for rebidding the commercials is also not considered as a right approach as it would jeopardize the entire tendering process
 3. The clarifications given by IBM also appear to be very vague in nature and do not lead to any conclusion

The committee felt that in spite of providing sufficient time to IBM, there are many inadequacies in its clarifications submitted to IRDA. The committee also felt that If IBM had any issues on the clarity of requirements; the same should have been raised during the pre-bid and subsequent meetings. Though IBM is an organization which might have delivered many such IT solutions, from the material available in its technical proposal/clarifications, the committee is of the opinion that IBM may not be able to execute this project successfully as a turn-key project as there are several inadequacies as stated above. In view of the above, the committee decided not to short list IBM for commercial bidding.

Short listing

After reviewing the responses and the evaluations made by Deloitte, the Committee is of the opinion that the proposals submitted by the following bidders are complete in all respects and they will be able to meet the objectives of the project.

1. Infosys

2. Mahindra Satyam
3. L&T Infotech
4. Keane (after making thorough assessments on the points stated above)

The Committee also observed that Mahindra Satyam, Infosys, Keane and L&T Infotech have agreed to all the terms and conditions and therefore these bidders are to be considered for the financial bid evaluation.

General

- The Committee felt that the estimation has to be prepared by Deloitte in respect of the following items and the same should be included for price comparisons.
 1. Digitization and Data migration
 2. Digital signatures
- The scores of the bidders require to be reexamined based on the responses from the bidders and the discussion points with the technical committee today. The scores (100%) can be shared with the members of the technical committee for their concurrence/comments on the same.
- Since it is expected that the site visit would further delay process of selection of the implementing agency, it was decided to allot the 5% allotted to site visit to the experiences of the bidders.
- The MoM shall be circulated to the members of the technical committee and on confirmation, the financial bids of the shortlisted bidders can be opened.
