

**INSURANCE REGULATORY DEVELOPMENT AUTHORITY OF INDIA
HYDERABAD**

30th November 2015

Subject: Minutes of the 36th Procurement Committee meeting held on 26th November 2015 & 30th November 2015

Present:

- | | |
|----------------------------------------------------------|-------------------|
| (i) Shri D.D.Singh, Member (Distribution) | - Chairman |
| (ii) Shri M. Pulla Rao,(Sr. JD-General) | - Member |
| (iii) Shri Randip Singh Jagpal, (Sr. JD- Intermediaries) | -Member |
| (IV) Smt J.Meena Kumari, (Sr.JD- Inspection) | - Member |
| (V) Shri M.S.Jayakumar,(CAO) | - Member Convener |

User Department present:

- (vi) Shri A.R.Nithiyantham, (Sr.JD - IT)
- (vii) Shri Deepak Khanna (DD-IT)
- (viii) Shri M.S.Chakravarthy –OSD(NM)
- (ix) Shri M.U.P.Raj - OSD
- (x) Shri B.Srinivas –IT consultant

Chairman and Members of the committee were apprised about the agenda items.

1. Finalization of Vendor for Multiprotocol Label Switching (MPLS) connectivity between H.O. and Regional Offices

The department apprised the committee that:

- (a) In response to the advertisement issued in IRDAI's website as well as in Economic Times (national daily) on 16th September 2015 the technical & Financial bids were received from the below three bidders:

1. M/s. Tata Communications Ltd
2. M/s. Airtel Ltd
3. M/s. Reliance Communication Ltd

The commercials quoted by the bidders are as follows

Description	M/s.Tata Communications Ltd.,	M/s. Airtel Ltd.,	M/s.Reliace Communicat ions Ltd.,
	(In Rs.)	(In Rs.)	(In Rs.)
Band Width Charges 8 Mbps MPLS internet connectivity (1:1, uncompressed/ pure on clear Channel for Two year)	9,93,658	12,31,200	14,22,720
One time Installation/ Configuration Charges, if any	40,356	51,300	—
Total	10,34,014	12,82,500	14,22,720

The committee deliberated on the following points:

- i. The estimated cost mentioned in the RFP is Rs 15 lakhs.
- ii. It was informed by IT Department the L1 proposal at the quoted price by the vendor of Rs 10,34,014/- as shown above includes applicable taxes for a period of two years..
- iii. It was informed by IT Department that the proposed connectivity between Mumbai, Delhi ROs and HO Hyderabad will mainly be used for video conferencing and also will ensure implementation of IT Policy, Biometric attendance synchronization with SAP database for R.O.s and RNI implementation for R.O.s etc.
- iv. It was informed by IT Department that a software tool for creation, processing and updation of inspection reports online will be developed and provided for the use of Inspection Department.
- v. It was informed by IT Department that the vendor will install all necessary Network equipment required for providing the connectivity and the Authority need not incur any additional cost for any network component; either hardware or software, other than the price quoted by the vendor.
- vi. The vendor will provide software / utility tool to monitor the status, utilization, performance etc. of the connectivity at Hyderabad HO, and RO at Mumbai and Delhi.
- vii. The Network architecture / diagram prepared by the IT department shall be implemented by the vendor for Network connectivity as planned.
- viii. The vendor shall ensure necessary DATA security for data transmitted through this connectivity. The vendor may be directed to provide additional Data and Network security by IT department as and when required at no extra cost.

- ix. The vendor will provide education and training on Network Management tools, fault detection, fault monitoring and fault tolerance to the users at Hyderabad HO and RO at Delhi and Mumbai as per the SLA agreement between the Authority and vendor.
- x. It was informed by the IT department that the charges to be paid to the vendor would be Quarterly at the end of the quarter. It was also informed that as per the standard exit clause, one-quarter advance notice is required for termination of contract as per the terms in the contract.
- xi. The department was requested to review the sufficiency of existing bandwidth with Authority' office in 'United India Towers' and Parishrama Bhavan and also the scope of providing videoconference facility in United India towers and RO Delhi and RO Mumbai to utilise the network. The committee was informed that the network bandwidth and videoconferencing facility is under examination and enhancement.
- xii. The Committee recommended the L1 proposal at the quoted price of Rs 10,34,014/- (Rupees Ten lakhs thirty four thousand and fourteen only) including applicable taxes for a period of two years..

II. Finalization of bidder for the AMC of Agency Portal by Procurement Committee

The department apprised the committee that

- i. In response to the advertisement issued by the Authority in leading news dailies on 13th June, the technical & commercial proposals were submitted by the following four bidders,
 - a. M/s Wipro Technologies
 - b. M/s NSE-IT
 - c. M/s. ESDS Software Solutions Pvt ltd
 - d. M/s Ebix Solutions
- ii. The IT Technical Committee cleared the proposals of all the above vendors.
- iii. The commercial proposals submitted by the bidders are as follows:

Bidder	Total Cost for 5 Years
ESDS	172,88,725.00
NSEIT	291,34,784.00
WIPRO	348,76,781.00
Ebix	462,85,546.00

Cost of additional resources	
Tec support resource	Rs.300000/Yr
AMC resource	Rs.450000/Yr
Cost of additional bandwidth / GB	Rs.6
Blended Man month rate for CRs	Rs.44,200

The matter is placed for the consideration of the procurement committee for award of contract to the L1 vendor i.e. ESDS Software Solutions Pvt Ltd for the total quoted cost of Rs. 172, 88,725/- for 5 years for the

- (a) Supply of hardware,
 - (b) Supply software,
 - (c) Hosting (Primary and DR)
 - (d) Providing software development, maintenance and support as per SLA
 - (e) Providing hardware maintenance support including AMC as per SLA and also
- Consideration and approval of cost of additional resources for
- (a) Technical support, AMC resource on annual basis
 - (b) Cost of additional bandwidth and charges for Change request on need basis.

The quoted amount by the vendor is inclusive of applicable taxes.

The Committee was informed of the current Agency Portal / Database as under:

- i. The previous Agents Portal of IRDAI catered to Licensing of Agents, and the new Agency Portal System DOES NOT envisage Licensing of Agents.
- ii. The new Agency Portal System envisages
 - a. Maintenance of ALL AGENCY RECORDS of ALL INSURERS with "UP-TO-DATE STATUS'
 - b. Building of agency records of all newly agents appointed and
 - c. Validation of Agency status in the database ON LINE;
 so as to ensure full check and compliance of Section 42 of the Insurance Act as mentioned in this note below.
- iii. The existing Agency Portal database available with the Authority does not have 'Up-to-date status of Agents'; as the insurer does not update the status of the agent in the present Agency Portal after the Agency licence is issued.

- iv. The movement of Agents from one insurer to another is also not recorded in the present agency database.
- v. The Agency Department had collected the Up-to-date Agency data from all insurers with the 'Agency Data' as decided by the Agency Department.
- vi. The existing vendor i.e. NSEIT has been directed by the Agency Department to develop the software for the Agency Portal; keeping the following in view:
 - Section 42 of the Insurance Act states that
No person shall act as an insurance agent for more than one life insurer, one general insurer, one health insurer and one of each of the other mono-line insurers.
 - Section 42 sub section (4) of the Insurance Act states that
Any person who acts as an Insurance Agent in contravention of the provisions of this Act, shall be liable to a penalty which may extend to Ten Thousand Rupees and any insurer of any person acting on behalf of the insurer who appoints any person as an insurance agent not permitted to act as such or transacts any insurance business in India through any person shall be liable to penalty which may extend to One Crore rupees.
- vii. The existing vendor i.e. NSEIT shall develop the software as per specifications of Agency department. The existing vendor shall hand over to software developed to the new vendor after the contract comes into force. Any liability / responsibility arising due to any software error shall rest with the vendor who has developed the software to the extent of the software developed by them.
- viii. The new vendor shall not be involved in original development of the software, but will be involved in future software development / modification / maintenance /change / technical support for the agency system and software thereof as requested by the user from the date of taking over the system.
- ix. All future updates to the software shall be the responsibility of the new vendor and all clauses covering delay in development and maintenance of software; business loss due to errors and delays etc. shall be covered under SLA.

- x. All future design requirements / changes for the Agency Portal will be addressed by Agency Department.
- xi. IT department and User Department shall ensure that any liability / responsibility arising due to any software error is duly addressed by the concerned vendors.

The Committee was informed of the Corporate Agency Portal / Database as under:

The Registration of Corporate Agents Regulation of IRDAI specifies that:

- A Corporate Agent (Life) may have arrangements with a maximum of three life insurers to solicit, procure and service their insurance Products.
- A Corporate Agent (General) may have arrangements with a maximum of three general insurers to solicit, procure and service their insurance products. Further, the Corporate Agent (General) shall solicit, procure and service retail lines of general insurance products and commercial lines of such insurers having a total sum insured not exceeding rupees five crores per risk for all insurances combined.
- A Corporate Agent (Health) may have arrangements with a maximum of three health insurers to solicit, procure and service their insurance products. In the case of Corporate Agent (Composite), the conditions as specified in clauses above shall apply and any change in the arrangement with the insurance companies shall be done only with the prior approval of the Authority and with suitable arrangements for servicing existing policyholders.
 - a. The software used shall ensure compliance to the above provisions of the Insurance Act.
 - b. The software shall be developed by the existing vendor and handed over to the new vendor.
 - c. The existing vendor i.e. NSEIT shall develop the software as per specifications of Corporate Agency Department; and any liability / responsibility arising due to any software error shall be duly addressed by the vendor who has developed the software.
 - d. The new vendor, whosoever selected shall not be involved in original development of the software, but will be involved in future development / modification / change / maintenance / technical support of the software

as requested by the user from the date of taking over the system. All design requirements for the Corporate Agency Portal will be addressed by Corporate Agents Department.

- e. All future updates to the software shall be the responsibility of the new vendor and all clauses covering delay in development and maintenance of software; business loss due to errors and delays etc. shall be covered under SLA.

The Committee was informed on the Hardware as under:

- i. All hardware and software licenses would be in the name of IRDAI.
- ii. The present Server utilization and cost involved in purchase of new hardware instead of upgrading the existing hardware etc. were deliberated by the Information Technology Consultants and technical experts at appropriate level and an informed decision was taken to acquire new hardware instead of existing hardware & software; due to up gradation of technology etc.

The meeting was adjourned to 11.30 hours on 30th November to discuss further on the above item.

Second meeting on 30-11-2015 @ 11.30 hours.

Mr Pulla Rao Member, requested leave of absence for attending the meeting due to 'on duty' works.

The procurement committee deliberated on the various points discussed in the previous meeting and observed as follows:

1. In the RFP and pre-bid queries does not cover specifically mention the details of the scope of work pertaining to the issuing of License to Corporate Agents.
2. The Committee felt that the proposal could be considered subject to 'Clearance of Technical Committee on the capability of the new vendor in handling the issuance of licenses to corporate agents and ensuring compliance with various points deliberated above', and also subject to no change in the proposed cost structure.

The procurement committee decided that the IT Technical Committee should examine the following:

1. The capability of the new vendor in handling the issuance of licenses to corporate agents and ensuring compliance with various points deliberated by the Procurement Committee on 26-12-2015 and submit a report / minutes to the procurement Committee as to whether the L1 vendor is capable of execution of work as per requirements,
2. The procurement committee was also informed that the vendor should be informed that there is no change in the proposed cost structure, and approval for the same should be obtained in writing.

The Committee recommended in principle approval to the L1 proposal at the quoted price of Rs 172,88,725 (Rupees One crore seventy two lakhs eighty eight thousand seven hundred and twenty five only) including applicable taxes for a period of five years PLUS cost of additional resources as mentioned in this note above; subject points (1) and (2) mentioned above.

Tabled Items

1. Insurance Awareness Campaign through Delhi Metro Rail

TDI International India Pvt. Ltd. which is doing campaign inside stations of Delhi Metro has informed that since DAVP rates are reduced for them, they are increasing the number of panel within the estimated budget i.e. they are placing 110 panel instead of 98 panels planned earlier. The Committee noted the above.

2. Utilization of Cinema halls for transmission of TVCs

The Committee members felt that the matter may be placed before Procurement Committee after the clearance of Publicity Committee.

The meeting ended with vote of thanks to the Chair.




CAO

Member-Convener



Sr. JD (Inspection)

Member



Sr. JD (Intermediaries)

Member



Sr. JD (Gen)

Member



Member (Distribution)

Chairman