

**INSURANCE REGULATORY DEVELOPMENT AUTHORITY OF INDIA  
HYDERABAD**

24<sup>th</sup> November 2016

Subject: Minutes of the 43<sup>rd</sup> Procurement Committee meeting held on 24<sup>th</sup> November 2016

Present:

- |   |                   |
|---|-------------------|
| (i) Ms Pournima Gupte, (Member - Actuary)             | - Chairperson     |
| (ii) Shri M.Pulla Rao, ED (Gen)                       | - Member          |
| (iii) Shri Randip Singh Jagpal, (CGM- Intermediaries) | -Member           |
| (iv) Shri M.S.Jayakumar,(CAO)                         | - Member Convener |

User Department present:

- (v) Shri A.R.Nithyanadham, (CGM - IT) & Team

Leave of absence granted to Smt J.Meena Kumari, (CGM - Inspection), Member of the Committee

Chairperson and Members of the committee were apprised about the agenda items by IT department.

**1. Procurement of Data Loss prevention software and additional Antivirus licenses: Cost. Rs.10,77,070/- (inclusive of all)**

The IT Department apprised the Committee that in its proposal to procure McAfee License (Antivirus and Total Protection Data), sealed tenders were invited from vendors authorized by the Company. The compiled information of financial bids is as follows: –

McAfee Endpoint Security and DLP License Supply Tendering							
Sl No.	Vendor Name	McAfee Complete EndPoint License (151 nos) 1yr + Co termed to expire On May 2018	McAfee Complete DataProtection License (150) for 3yrs	McAfee Complete DataProtection Renewal License (150) for 3yrs	DLP 300 license total price	Total Price(Inclusive Tax)	Position
1	SSG Solutions Pvt Ltd	237070	NA	NA	8,40,000	10,77,070	L1
2	Veeras Infotek Pvt Ltd	254309	558440	446281	10,04,721	12,59,030	L2
3	Proinf Networks	260475	NA	NA	873600	1369395	L4
4	Softcell	307315	659439	527850	1187289	1494604	L3

153750+

SSG Solutions Pvt Ltd is L1 and quoted for an amount Rs. 10,77,070/- ( Rs. 10 Lakh Seventy-Seven Thousand Seventy Only) including all taxes.

The deliberations of the Committee are recorded below:

- The Department is intended to purchase two products i). McAfee Anti-Virus and ii). Total Data Loss Protection (DLP).
- Anti-Virus licenses for 150 machines are already available which were renewed in June 2015 for three years and will be expiring in June 2018.
- The additional 150 licenses will be acquired now will be for a shorter period instead of three years so that the validity of existing and newly acquired licenses will be due for renewal at the same time i.e. June 2018.
- 150 DLP licenses have already expired in May 2016 and 300 licenses have to be acquired.
- The proposal submitted does not clearly indicate the short period for which the rates were quoted and commencement of license period etc.
- The department should also submit in the next meeting the complete list of computers and whether all are having installed anti-virus and DLP at all offices of IRDAI.

**The Committee recommended the following:**

The Department used the term 'Limited Tender' in the Agenda, it has been clarified by the Committee that as per Procurement Manual, Limited Tender can be floated only for empaneled vendors.

The proposal submitted by the Department to treat SSG Solutions Pvt Ltd is L1 is recommended by the Committee. However, the price payable for McAfee complete end point license shall be worked out from the actual date of purchase of McAfee (i.e. from the date of purchase to May 2018).

**2. Setting of up intranet portal, supply of hardware and software licenses :  
Cost. 144,51,870/- plus taxes.**

The IT Department apprised the Committee that tender for Implementation of Intranet portal with Web based content management, Document management, Workflow

management and Collaboration capabilities. Proposals were received from the following vendors.

1. M/s WIPRO LIMITED
2. M/s ACUVATE SOFTWARE PRIVATE LIMITED
3. M/s ESDS SOFTWARE SOLUTION PRIVATE LIMITED
4. M/s KRISHMARK INFOTECH (INDIA) PRIVATE LIMITED
5. M/s COTELLIGENT INDIA PRIVATE LIMITED

The technical committee shortlisted the following IT firms for financial bidding.

1. M/s WIPRO LIMITED
2. M/s ACUVATE SOFTWARE PRIVATE LIMITED
3. M/s ESDS SOFTWARE SOLUTION PRIVATE LIMITED

The technical committee has also decided to opt for a normalized bill of material (BOM) required for this project which were communicated to the shortlisted Bidders with a request to submit their commercial proposals based on the normalized configurations & BOM.

The Department informed that the bids were considered after taking in to account the following deviations in the bids submitted by the vendors.

#### **M/s Wipro Limited**

- i. There is error in calculation of service tax (with cess) on Maintenance cost of Rs.9,70,588 per annum. (Quoted Rs. 65,482/- instead of Rs.1,45,588/-). Correct total service tax is Rs.18,55,707/-
- ii. The company has not quoted for 250 Windows Server CAL with SA (Software Assurance) which was quoted in our Bill of Material communicated.
- iii. The company has quoted for 250 Share Point Server Enterprise CALs with SA which is not a part of the Bill of Material communicated.
- iv. The department has received a representation from M/s WIPRO vide letter dated. 9<sup>th</sup> September 2016 providing clarifications in respect of Share Point Enterprise CAL quoted. However, the same was not taken into consideration as the Bill of Material was finalized and communicated to technically shortlisted bidders by 15<sup>th</sup> July 2016, well in advance and after consultations with all 3 technically shortlisted vendors and experts on this subject from the MICROSOFT company.
- v. The company has quoted different part codes for Software licenses in the bill of material submitted, although specified part codes were mentioned in the communicated Bill of Material.
- vi. The company has quoted software licenses with 2 years Software Assurance in the Bill of material as against 3 years specified in the Bill of material.

The commercial proposal of WIPRO was taken into consideration with above deviations.

**2) M/s Acuvate Software Private Limited**

- i. The software licenses with SA were convincingly submitted for a period of 4 years.
- ii. There was an error in total cost of hardware (Servers & storage) as per the BOM and as per Commercial BID. The Excess amount is Rs. 5,25,000.
- iii. There was an error in calculation of total VAT & Service Tax service tax (with cess). Excess amount is Rs. 6,03,403

**3) M/s ESDS Software Solution Private Limited**

1. From the specifications attached to the commercial bid it was observed by the department that the Hardware Server model quoted "HP ProLiant DL360P G81U Rack Server Intel Xeon E5 - 2609 v2 2.5 GHZ 2 processor support" is a discontinued model.

But, M/s ESDS vide letters dated 26<sup>th</sup> and 27<sup>th</sup> September 2016 confirmed that, company will provide the new generation servers "HP ProLiant DL360p G9 1U Rack Server, 2 X Intel Xeon E5-2623 v4 2.6 GHz "without affecting the TCO (Total Cost of Operations) submitted in their commercial proposal, this will include services such as,

- a. The on-site comprehensive warranty for a period of 3 years.
- b. On Premises Implementation of Hardware and Software.

**Summary**

		Excluding Taxes	Including Taxes
1	Wipro Limited	1,50,91,699	1,74,12,839
2	Acuvate Software Private Limited	1,90,34,726	2,25,03,904
3	ESDS Software Solution Private Limited	144,51,870	1,68,39,139

It was proposed by the department to consider M/s ESDS Software Solution Pvt Ltd as L1 BIDDER firm and shortlist the bidder for the implementation of Intranet Portal in IRDAI to the total cost of Rs. 144,51,870/- plus taxes.

**The Committee recommended the following:**

1. The vendors were requested to quote AMC charges for 2+1 (3) Years. But some vendor has quoted for two years and another vendor for 4 years. The committee is of the view standard format should have been provided to vendors to submit the quotes.
2. It has been observed that ESDS has quoted Hardware Server which is a discontinued model. However, communicated vide letters dated 26<sup>th</sup> and 27<sup>th</sup> September 2016 to supply higher end models.
3. It is felt by the Committee, since the specifications were revised by the vendor after technical and financial bids were opened. The better course would be to not accept the revision.
4. However, the matter may be referred to the Technical Committee for confirmation of Models and decision on other technical specifications and course of action in view of (3) above.

**3. BAP-Implementation of Change Requests (CRs) for Surveyor Licensing module (Cost: Rs.11.42 lacs)**

The IT Department apprised the Committee that L&T Infotech was requested to carry out various change requests and the estimation received from them are as follows:

S.No	CR No.	Total Effort (Person Days)	Rs
1	289	6.97	0
2	301	18.4	175,238.10
3	417	18.4	175,238.10
4	355	17.02	162,095.24
6	375	2.76	0
7	382	2.76	0
9	420	6.97	0
10	422	22.77	216,857.14
11	432	6.97	0
13	403	17.02	162,095.24
14	437	26.37	251,142.86
<b>Total Amount in Rs</b>			<b>1,142,666.68</b>

L&T InfoTech has submitted the effort estimation for the above CRs for Rs. 11,42,666.68. As efforts of more than 10 days are payable and accordingly, estimates have been verified by the IT department and found to be satisfactory.

Cost associated for effort greater than 10 days is = 2 Lakhs per man month (man month = 21 days).

The deliberations of the Committee are recorded below:

- i. On reply to the query raised by committee members the department confirmed that the CRs were verified and the effort estimates were vetted by the IT consultant of IRDAI.

**The Committee recommended the following:**

- ii. The methodology used by the vendor in clubbing of CRs are not clearly defined. Since the CRs requiring effort of more than 10 man days are only chargeable, it has been decided that the vendor must provide the justification for charging the CRs raised.
- iii. The Committee recommended the proposal of CR cost estimation of L&T of Rs 11,42,666.68/- submitted by the department.
- iv. The Committee also requested the department to provide a detailed note on CR methodology to the Committee in the next meeting.

**4. Finalization of Tenders for supply HP Toner Cartridges (Cost:Rs.18.82 lacs)**

The IT Department apprised the Committee that in response to the tender RFP No. IRDAI/IT/16-17/02 dated 13<sup>th</sup> August, 2016, the following vendors have submitted their bids –

1. M/S Orient Business Services Pvt. Ltd, Secunderabad
2. M/S Commercial Controls, Secunderabad
3. M/S Mehak Data Systems, Secunderabad
4. M/S Microcare computers Pvt. Ltd., Hyderabad
5. M/S Unique Enterprise, Mehsana, Gujrat

The observations of the department on the tenders received are as follows:

I. It is observed that four bidders out of five have qualified the technical terms while M/S Unique Enterprise from Gujarat is unable to satisfy the below criteria **Clause 1-**

*"1. The Registered Vendor should be based in Hyderabad/Secunderabad only"*

As they have not any office/branch in Hyderabad or Secunderabad. In view of the above we may reject M/S Unique Enterprise's bid.

II. The point mentioned in Addendum No: 1

*"The bidders are also requested to submit the price list for the entire range of HP toner cartridges which will be valid during the contract period. Any new type of cartridges which not part of the tender will be supplied by the selected bidder as per the price list submitted by them."*

No Bidder was able to supply the price list of entire range of HP Cartridges and stated that HP does not give prices for all the cartridges and prices are given as per the tender

specified cartridges only. The issue was discussed by IT department with concerned authority of M/S HP sales Pvt. Ltd. They have informed that any new cartridge, which is currently outside of RFP scope, can be included in future without changing the discount structure finalized with IRDAI by this tender. A letter with sample copy of addition process has been received for the same. Therefore, it is recommended by the IT Department to relax this condition for all bidders.

III. It was observed that M/s Mehak Data Systems did not submit the proof of OEM certificate and proof of supply of cartridges to Govt/BFSI/PSU sector in last 2 years above Rs. 15 lakhs. But M/S HP via mail provided their name as HP authorized cartridges dealer in Hyderabad and Secunderabad. Also M/s Mehak Data Systems has submitted proof of supply of cartridges to reputed IT and Pharmacy company in Hyderabad. Their bid has been considered for commercial compilation.

The abstract of commercial bid is given below.

Bidders	TOTAL	All Taxes ( VAT %5)	GRAND TOTAL	Position
M/S Orient Business Services Pvt. Ltd.	1863754	93187.7	1956941.7	L2
<b>M/S Commercial Controls</b>	1792678	89633.9	<b>1882311.9</b>	<b>L1</b>
M/S Microcare computers Pvt. LTd.	1982610	99130.5	2081740.5	L4
M/S Mehak Data Systems	1980482	99024.1	2079506.1	L3

The department recommended that as per the tenders received **M/S Commercial Controls** with the quote of Rs. **18,82,311.90** /- including all taxes is **L1** and may be selected. The AMC is applicable for 1 + 2 years.

It was also informed that the proposal to get additional budget sanctioned for this expenditure will be put up to the competent authority by the IT department.

#### **Committee's Observations:**


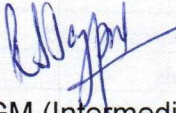
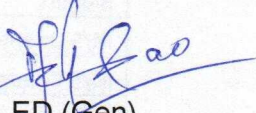
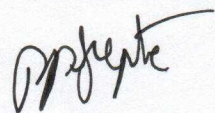
The Committee clarified that the price protection for increase of up to 5% should be passed on to IRDAI in all cases of cost increases up to 5% even if the increase is more than 5%.

The Committee agreed with the recommendation of the department to select the L1 vendor **M/S Commercial Controls** who has quoted Rs. **18,82,311.90** /- including all taxes.

**Others**

It was already reiterated in the last meeting of Procurement Committee that the procedures laid down in the IRDAI's manual on policies and procedures for purchase of goods shall be complied in all procurements of IT department henceforth without any deviations. The agenda items must include a statement that the provisions of the Procurement Manual are complied with and also clearly specify the provisions of Procurement manual under which the item is being procured.

The meeting ended with vote of thanks to the Chair.

	Absent		
CAO	CGM (Inspection)	CGM (Intermediaries)	ED (Gen)
Member-Convener	Member	Member	Member
			
Member (Actuary)			
Chairperson			