

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

ITE&C Department - Role of APTS - Guidelines for selection of partners for Joint Ventures (JV) / Special Purpose Vehicles (SPV) with Technology Companies for innovative projects - Orders Issued.

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**INFORMATION TECHNOLOGY, ELECTRONICS AND COMMUNICATIONS**

**(ADMIN) DEPARTMENT**

**G.O Ms. No. 6**

**Dated: 05-06-2017**

**Read the following:**

1. Memorandum & Articles of Association of APTSL
2. G.O.Ms.No. 71, Fin. & Plg. (Plg. Wing: PS) Dept., dt: 20.12.1985
3. G.O.Ms.No. 45, Fin. & Plg. (Plg. Wing: 20) Dept., dt: 09.07.1990
4. G.O.Ms.No. 43, ITE&C Department dated 15.06.1998
5. G.O.Ms.No. 12, ITE&C Department dated:08.06.2015
6. G.O.Ms.No. 19, ITE&C Department dated 19.09.2016

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**ORDER:**

The Government established Andhra Pradesh Technology Services Limited (APTSL) as a centralized agency for procurement and consultancy in Information Technology related services for all the State Government departments vide GO third read above. As per the Memorandum & Articles of Association of Andhra Pradesh Technology Services Limited and as per the G.O second read above, Andhra Pradesh Technology Services Limited was established with a mandate (i) to provide Consultancy to Government Departments and Corporations in purchasing computer hardware (ii) to provide consultancy to upgrade the computers and other electronic systems (iii) Maintenance of hardware (iv) Development of software and other IT services etc.

2. The country is moving towards the digital world and Technology Partnership(s) is the APTSL's vehicle for action on Digital India. It gives a unique opportunity to bring cohesion and to scale up those activities that can really make a difference to the way Government of Andhra Pradesh works. In this regard, Andhra Pradesh Technology Services Limited was authorized vide GO sixth read above to "establish Joint Ventures (JVs) and Special Purpose Vehicles (SPVs) with Technology Companies including start-ups with the objective of introducing new and innovative technologies in Government to improve efficiency, transparency and cost effectiveness". While undertaking the above functions, Andhra Pradesh Technology Services Limited will be guided by the twin objectives of financial viability of the organization and customer satisfaction and will function as a professional organization".

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3. As per the above G.O.Ms.No. 19, Andhra Pradesh Technology Services Limited has proposed the draft guidelines and submitted to Government on the process of identification of the suitable partner firms / companies such as startups, technology partners, and innovative firms. The Government after careful examination of the matter, hereby issue the following orders.

4. Managing Director, Andhra Pradesh Technology Services Limited shall engage Legal Advisory Services, Financial Advisory Services firms from the open market on suitable terms and conditions to assist in the selection process.

5. The guidelines for selection of partners by Andhra Pradesh Technology Services Limited shall be of two stage methodology as detailed below and not through Request For Proposal/Bidding process.

**6. Stage I: Technical Evaluation Committee (TEC)**

**(a) Technical Evaluation Committee** shall examine the proposals of the firms and evaluate the solutions. The Technical Evaluation Committee is constituted with the following members:

- (i) The MD, APTS, Chairperson
- (ii) The Director, MeeSeva
- (iii) The CEO, e-Gov Authority
- (iv) Representative of IT, E& C Department
- (v) Representative of RTGC
- (vi) Representative from concerned Department
- (vii) The President / Secretary, ITAAP
- (viii) Representative from one of the Universities / Technical Education Institutions
- (ix) The ED/GM APTS – Convener
- (x) Any other expert / resource based on requirement may be co-opted by MD, APTS

**(b)** The Technical committee may examine the proposals submitted from the perspective of:

- (i) Whether the Proposal is of Innovation / new Concept / Emerging Technology, Specialization
- (ii) Level of innovation, uniqueness and technological merits
- (iii) Technical feasibility, Operational Feasibility and Commercial Feasibility
- (iv) Feasibility of Technology Innovation in Government Scenarios and Business model with Opportunities/ Potential for replication,.

- (v) Spectrum of services and their Population coverage in the State and Country to ensure the scalability to make an impact on the Government / Public Organizations
- (vi) Advantages/Disadvantages of the proposed technology
- (vii) The evaluation may include one or more of the following:
  - (a) Presentation/ Demo of the Proposal or Concept by the entrepreneur
  - (b) Discussions with the Technical committee
  - (c) Pilot Implementation / Proof of Concept (PoC) On-site visits
- (viii) Service Level Agreement (SLA) and Key Performance Indicator (KPI) for the solution / technology
- (ix) In case of established Technology firms / SME :
  - (a) The Certifications/ Awards /Patents
  - (b) The Technology stack
  - (c) Team strength & previous projects
  - (d) Customer reference

**7. Stage II: Financial Evaluation Committee (FEC)**

(a) The commercial proposals of the firms whose proposals have been recommended by the Technical Evaluation Committee shall be considered for Stage II evaluation by the Financial Evaluation Committee. At this stage, the business model, investments, sharing of revenues, respective rights and obligations would be initially discussed by Andhra Pradesh Technology Services Limited and the same would be placed before the Financial Evaluation Committee for consideration. The Financial Evaluation Committee is constituted with the following members:

- (i) The Managing Director, Andhra Pradesh Technology Services Limited-, Chairperson
  - (ii) The Secretary, Finance Department or representative
  - (iii) Representative of Information Technology Electronics & Communications Department
  - (iv) Representative from concerned Department
  - (v) Financial Expert identified by Managing Director, Andhra Pradesh Technology Services Limited
  - (vi) The Executive Director/General Manager Andhra Pradesh Technology Services Limited – Convener
  - (vii) Any other expert / resource based on requirement may be co-opted by Managing Director, Andhra Pradesh Technology Services Limited
- (b) *The committee would be assisted by Financial Advisory Services agency engaged by Andhra Pradesh Technology Services Limited.*

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(c) Some of the following criteria may be examined in the Financial Evaluation Committee:

- (i) Business Model proposed
- (ii) Commercial Feasibility / Viability
- (iii) Business proposition to Andhra Pradesh Technology Services Limited
- (iv) Implementable revenue model linked with Key Performance Indicators to encourage the departments in adopting the technology
- (v) Opportunity to tap External funding (GoI, GoAP, NGO, International) available under different schemes - Funding pattern, conditions and time lines
- (vi) Justification of the Proposed Cost, Capital Expenditure, Operating / Recurring Expenditure, Capacity building etc.
- (vii) Proposed long-term growth and financial viability
- (viii) Balance between quality to cost with likelihood of success
- (ix) Addressing a clearly defined technical resources required for implementing & maintaining the solution
- (x) Time lines
- (xi) Service Level Agreement and Key Performance Indicators for the Solution / Technology
- (xii) Period of contract
- (xiii) Terms such as Exit management, Termination, Intellectual Property Rights, Escrow arrangement etc.

8. In case of Startups, Financial Evaluation Committee will give suitable leverage for Financial Strength of the company, in view of their uniqueness of the solution and also give support to Startup ecosystem.

9. In the G.O sixth read above, Government authorized to Establish Joint Ventures (JVs) and Special Purpose Vehicles (SPVs) with Technology Companies. Where ever it is not feasible/ advisable, APTS may with the approval of the Government enter into legal agreements with the selected partners/ firms.

10. This order issued with the concurrence of Finance department vide U.O.No.36022/59/2017 dated 02.05.2017 and will come into force with immediate effect.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K.VIJAYANAND

Principal Secretary to Government (FAC)

To

The Managing Director, AP Technology Services Ltd., Hyderabad

All Departments of the Secretariat

All Heads of departments

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All District Collectors

The Pay and Accounts Officer / The Director Treasuries and Accounts

The Accountant General, A.P., Hyderabad.

Law (B) Dept.

Copy to:

The P.S. to Chief Secretary to Government

The P.S. to Prl. Secretary, IT

//FORWARDED::BY ORDER//

Joint Secretary to Government (HRD) i/c