

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ITE&C Department – AP Procurement Policy for e-Governance – Operational guidelines for pre-qualification for Government Information Technology (IT) and IT related Tenders - Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS and COMMUNICATIONS
(INFRASTRUCTURE) DEPARTMENT

G.O.Ms.No.16

Dated:19.07.2016
Read the following:

1. G.O. Ms. No. 12 of ITE&C Dept., Dated: 08.06.2015
2. G.O. Ms. No. 13 of ITE&C Dept., Dated: 11.08.2014
3. G.O. Ms. No. 22 of ITE&C Dept., Dated: 28.11.2015
4. CVC Guidelines No. 12-02-1-CTE-6, Dated: 17.12.2002
5. Model RFP Preparation by DeitY at:
<http://www.deity.gov.in/content/mission-mode-projects>
6. The DeitY, RFP Standardization guidelines notes at :
<http://deity.gov.in/content/rfp-standardization-model-rfps-and-guidance-notes>
7. Request for Qualification model document of the Planning Commission at:
http://planningcommission.gov.in/sectors/ppp_report/2.Model%20Bid%20Documents/01-A%20Model-RFQ-Word.pdf

ORDER:

Government have an ambitious plan of implementing e-Governance and to establish an environment conducive for the development of IT industry in the State for the next 5 years. To this end, Government have notified an IT Policy and is in the process of developing an Enterprise Architecture for e-Governance. The Vision of the Government is:

“to develop Andhra Pradesh as a knowledge society of global repute, with a focus on enhancing the quality of life of its citizens, through high-quality education and healthcare, increased productivity in Agriculture and allied activities, creation of requisite employment potential by promoting electronics and IT industries, and above all, by providing good governance.”

2. Considering the large number of projects in the e-Governance sector, which requires seamless procurement and implementation models in e-Governance, Government have notified a comprehensive ‘Procurement Policy for e-Governance’ in the reference 1st read above:

- (a) to enhance efficiency, effectiveness and transparency in procurement decisions relating to e-Governance.
- (b) to enable Government departments and agencies to entrust works relating to design, development and implementation of e-Governance projects on an outcome basis, balancing cost effectiveness and transparency.

3. As per this Procurement Policy, the methods of procurement prescribed for compliance by all the Departments, are (i) Rate Contracts (RC), (ii) Limited Tenders - through Empanelment of Vendors, (iii) Swiss Challenge, (iv) Promotion of Innovative products and Solutions, (v) Public Private Partnerships (PPP) Methods, (vi) Open competitive Bid and (vii) Special Provisions for Procurement in case of Repeat Orders, Emergency Procurements and Procurement of proprietary products.

4. The current practice of fixing pre-qualification in the procurement of IT and IT-enabled services and Hardware products and services has two parts (a) Turnover and (b) Project Experience. The turnover of the firm, as an indicator of the size of the firm, is fixed at twice the estimated cost of the project. The project experience is fixed as experience gained in execution of a similar sized project (in terms of cost) or two projects of 60% of the estimated cost of the project. In this context, APTS and ITE&C department have received representations from prospective bidders to revise the pre-qualification criteria to enable larger participation of smaller, but more nimble firms with experience in IT projects.

5. To address this concern, Government have examined the guidelines of Central Vigilance Commission (CVC), the Department of Electronics and Information Technology (DeitY) and the Public Private Partnership (PPP) guidance notes of the Planning Commission as mentioned in the references 4th to 7th read above for specific guidelines to be adopted for pre-qualification of potential bidder firms for implementing IT related projects for the GoAP.

While the CVC prescribes some qualifying criteria for civil and electrical works, PPP guidelines of the planning commission cautions that stringent prequalification criteria might adversely affect competition. The DeitY guideline, while stressing the importance of ensuring competition, suggests that an adequate performance bank guarantee (as an alternative to turnover and net worth) may be used as an indicator of the financial strength of the participating bidder firm. Thus, these guidelines are relevant and useful, but broad in scope, and not sufficiently granular.

6. Amalgamating the spirit behind the various guidelines described in paragraph 5 above, and the contemporary business trends in the IT space, Government, after careful examination, have evolved the following pre-qualification criteria for firms in the IT and IT-enabled product space, as described in the following paras upto Para 13.

7. The Participating Bidder Firm should be registered under the Companies Act in India, 1956 and its amendments, and should have been practicing business for at least three years as on bid closing date.

8. The Participating Bidder Firm must have an overall turnover (defined as annual sales revenue less discounts less sales tax) as a proportion of the project size as described in Table-1

Table 1: Pre-qualification Turnover Criteria

S.No	Type of service	Minimum turnover as percentage of proposed project cost
1	1. Software development (SW) 2. System Integration (SI) 3. Other IT related projects	100% of the proposed project value, computed on an annual basis
2	1. Networking equipment and supplies 2. Facilities Management (FM) 3. Administrative and Management Contract (AMC) services	150% of the proposed project value, computed on an annual basis
3	Hardware Supplies	200% of the proposed project value, computed on an annual basis

9. For the categories of Software Development and Software Integration Projects at serial number 1 in Table 1, the following additional pre-qualifications, indicated in Table 2 also applies.

Table 2: Prequalification Certification Criteria

S.No	Total cost of the project	Appraisals / Certifications required
1.	in excess of Rupees 100 crores	i. SEI - CMMI Level 3 or above ii. ISO – 27001 or above

10. In the IT industry ecosystem, it is noted that firms implement projects for other private sector companies, nongovernmental organizations, and for central, state, and local government bodies. Hence, there is a need to evolve a granular criteria that recognizes the experience gained by them in the above categories. For this purpose the experience in successfully executing similar IT projects / services in the last 3 years should be considered. The minimum cost criteria for firms that have implemented single and multiple projects is indicated in Table -3.

Table 3: Pre-qualification Project Experience Criteria

Sl.No	Type of service	Minimum cost of implemented projects as a proportion of the proposed project value, computed on an annual basis (%)		
		Single Project (%)	Two Projects (%)	Three Projects (%)
1	SW Development	50	35	30
2	System Integration	60	45	35
3	Hardware Supplies	100	55	40
4	Networking	100	55	40
5	FM & AMC Services	90	50	35
6	Other IT Related projects	50	40	30

For bidders who have executed at least one project for the Central Government or any State Government or a Public Sector Undertaking, the above percentages stand reduced by 10%.

11. In addition to the criteria spelt out in Tables 1 and 2, the participating bidder firm must exhibit an increasing, and positive net worth.

12. A firm participating in a PPP project must satisfy the criteria prescribed in paragraphs 7, 8, 9, 10, and 11 as the case may be. In addition to these criteria, the firm participating in a PPP project must exhibit an increasing, and positive net worth. This positive net worth should be a minimum of 25% of the estimated capital cost of the project, when averaged over the previous three financial years.

13. The Bidder / Company shall not have been black listed by any Local (State) Government, Federal (Central) Government or any other Public Sector undertaking or a Corporation or any other Autonomous Organization of Government. A self-certificate declaring that the bidder is not black listed by any Central/ State Govt. Department must be enclosed.

14. The Processing authority shall estimate the cost of the project and fix the pre-qualification criteria as indicated above. The annualized cost of the project may be calculated by dividing the estimated project cost by the project period in number of years.

15. All Government Departments, procuring IT and IT related services shall follow the pre-qualification criteria as per these guidelines.

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

P.S. PRADYUMNA
SECRETARY TO GOVERNMENT(FAC)

To

All the Departments of Secretariat
All the District Collectors & Magistrates,
All the HoDs,
The Managing Director, M/s APTS Ltd.

Copy to:

The Chief Minister's Office/Chief PRO to C.M.
The OSD to Hon'ble Minister for Information Technology, Andhra Pradesh
The PS to PFS, Andhra Pradesh
The PS to OSD to Hon'ble CM, AP
The PS to Chief Secretary to Government of Andhra Pradesh
The PS to Advisor, ITE&C, Andhra Pradesh

//FORWARDED::BY ORDER//

JOINT SECRETARY (HRD) i/c