ANDHRA PRADESH CAPITAL REGION DEVELOPMENT AUTHORITY
POLICY DOCUMENTATION

IT PROCUREMENT POLICY
MAY 2016

Information Systems Division, AP CRDA, Vijayawada
IT PROCUREMENT POLICY

May’2016

Version 1.1

<table>
<thead>
<tr>
<th>Document No.</th>
<th>CRDA/IT/POL/03</th>
<th>Version</th>
<th>1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authored by</td>
<td>Peddi Ajay Babu</td>
<td>Signature:</td>
<td>P. Ajay Babu</td>
</tr>
<tr>
<td></td>
<td>Asset Manager, Infrastructure</td>
<td>Date:</td>
<td>March’2016</td>
</tr>
<tr>
<td>Reviewed by (1st Stage):</td>
<td>Sridhar Popuri</td>
<td>Signature:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Additional Director, IS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewed by (2nd Stage):</td>
<td>Anjaneyulu Thogata</td>
<td>Signature:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director, Procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewed by (3rd Stage):</td>
<td>Ravi M</td>
<td>Signature:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager, Legal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewed by (4th Stage):</td>
<td>J.S.R.K Sastry</td>
<td>Signature:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director, Strategy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DISCLAIMER

Although information and contents of this document have been put in with due care and diligence, APCRDA does not take responsibility on using this information or the consequences of its use, outside APCRDA. In case of any inconsistency/confusion, the reader should contact the concerned official of APCRDA for further clarifications. This policy document should not be interpreted as a statement of law nor used for any legal purposes.

Material featured on this document may be reproduced free of charge in any format or media without requiring specific permission, but is subjected to, the material being reproduced accurately and not being used in a misleading context. Wherever the material is being published or issued to others, APCRDA must be prominently acknowledged.

APCRDA (Andhra Pradesh Capital Region Development Authority)
Lenin Centre
Governorpet
Vijayawada-520002
Andhra Pradesh, India
e-Mail ID: itsupport@apcrda.org
# TABLE OF CONTENTS

1 BACKGROUND ......................................................................................................................... 4

2 POLICY DOCUMENT SERIES .................................................................................................. 4

3 OBJECTIVE .................................................................................................................................. 4

4 SCOPE ......................................................................................................................................... 5

5 POLICY DETAILS ............................................................................................................................ 5
   5.1 Different Methods of Procurement ................................................................. 5
       5.1.1 Request for Quotations (RFQ)/Invitation for Bids (IFB) ...................... 5
       5.1.2 Rate Contracts (RC) ........................................................................... 6
       5.1.3 Invitations to Tender (ITT)/Open Competitive Bidding (OCB) .......... 8

6 IT PROCUREMENT MATRIX ...................................................................................................... 10

7 SPECIAL PROVISIONS OF PROCUREMENT ........................................................................... 10
   7.1 Emergency Procurements ....................................................................................... 10
   7.2 Repeat Orders ........................................................................................................... 10
   7.3 Procurement of proprietary products ................................................................. 11

8 PROCESS FOR POLICY CHANGES ......................................................................................... 11

9 EFFECTIVE DATE ...................................................................................................................... 11

10 REFERENCES ............................................................................................................................. 11

11 FLOW CHART REPRESENTATION OF IT PROCUREMENT MATRIX ...................................... 12
1 BACKGROUND

The Government of Andhra Pradesh has enacted Andhra Pradesh Capital Region Development Authority Act, 2014 (Act.No.11 of 2014) for the declaration of the new capital area for the state of the Andhra Pradesh and establishment of the Andhra Pradesh Capital Region Development Authority for the purpose of planning, coordination, execution, supervision, financing, funding, promoting and securing the planned development of the capital region and capital city area of the state.

2 POLICY DOCUMENT SERIES

Publishing of policy document series is one of the key initiatives of APCRDA to bring in transparency, efficiency and alignment of functions in-line with relevant acts and rules. This document outlines APCRDA’s IT procurement policy covering procurement methods for quotations, rate contracts, invitation to tenders/open competitive bidding and miscellaneous IT procurements etc. Financial limits specified herein are subject to change by the competent authority and may be verified through APCRDA website from time to time.

3 OBJECTIVE

The objectives of this APCRDA IT procurement policy are:

a) To streamline measurable evaluation process in all IT procurements.
b) To enhance efficiency, effectiveness and transparency in procurement decisions.
c) To promote fair and open competition for APCRDA’s procurements while avoiding any exposure to fraud and collusion.
d) To achieve value for money in all procurement activities.
e) To promote equality of opportunity for all suppliers.

This Policy defines the guidelines for procuring the IT assets inter alia:

- Cloud Infrastructure, Data Center equipment like servers, server racks, storage, tape library, hard drive and portable storage devices etc.
- Network/Information Security equipment like firewalls, access points, controllers, routers/switches etc.
- User based assets like desktops, laptops, workstations, scanners, printers, pendrives, external hard disks, projectors, tablets, mobile phones and other peripherals etc.
- All required OEM/proprietary software requirements for APCRDA.
• Security & Surveillance equipment, Access control peripherals, Bio-metric devices, IRIS devices, RFID, Video & Audio conferencing equipment, Office Automation equipment etc.
• IT related equipment like UPS, Inverter, Batteries, Shredders, Electronic whiteboards, Video walls etc.

4 SCOPE

This policy is applicable to all the procurement processes regarding IT assets i.e., Hardware and OEM/Proprietary software packages procured by the designated department in APCRDA namely, Information Systems (IS). This policy also covers the scope of associated services of procurement such as warranty, operations & management etc.

5 POLICY DETAILS

5.1 Different methods of procurement:

a) Request for Quotations (RFQs)
b) Rate Contracts (RC)
c) Invitation to Tender (ITT)/Open Competitive Bidding (OCB)

5.1.1 Request for Quotations (RFQ)/Invitation for Bids (IFB):

Request for Quotation (RFQ)/Invitation for Bids (IFB) is a standard business process whose purpose is to invite suppliers into a bidding process to bid on specific products or services.

An RFQ/IFB typically involves request for details such as price per item. Information on payment terms, quality level per item or contract length are possible to be requested during the bidding process.

To receive correct quotes, RFQs/IFBs often include the specifications of the items/services to make sure all the suppliers are bidding on the same item.
Salient features of “Request for Quotations (RFQs)”: 

✓ The total purchase value shouldn’t exceed Rs.10,00,000/-

✓ For purchases where the procurement value is in the range of Rs.1,00,000/- to Rs.10,00,000/-, the sealed quotations are to be opened, reviewed, evaluated by a technical committee comprising of at least 3 members of executive level from departments of IS (Information Systems), Procurement/Accounts/HR, concerned wing/user wing with minimum of 1 member from each wing.

✓ Wide and open publicity to be given to vendors for purchase of goods via open e-mail or advertisement.

✓ Atleast a week (7 days) time to be given to bidders to submit their quotations.

✓ The end date and time for receiving the bids and date and time for opening the bids to be properly communicated to bidders.

5.1.2 Rate Contracts (RC’s): 

Rate Contract (RC) is a procurement strategy aimed at standardizing procurement prices for commonly procured goods and services. The prices for such goods are fixed for a defined period.

The following provisions apply in regard to administration of RC:

a. A Nodal Agency nominated by central government/state government shall establish rate contracts (RC) relating to IT & IT related products. Such nodal agency may be a department/directorate/organization etc. working for central government/state government.

   Example: DGS & D (Directorate of General Supplies & Disposals) – Govt. of India, APTS (Andhra Pradesh Technology Services) – Govt. of Andhra Pradesh, or any other recognized state or central government nodal agency will be henceforth considered as approved agencies through which the IT procurement requirements of APCRDA may be fulfilled.

b. Such nodal agency shall finalize the RC by following Open Competitive Bidding (OCB) through issuing an RFP, clearly delineating the specifications for all the products for which the RC is to be established.
c. Upon completion of the bid process, the concerned nodal agency shall issue a notification to the successful vendors for the goods or services for which they are selected as per the tender process.

d. A rate contract shall be effective for a period of 6 months or 1 year as defined by respective nodal agency.

e. The rate contract shall be reviewed every month:
   (i) For updating of rates discovered for the items on the RC list, through OCB procurements undertaken in the previous month and
   (ii) For addition of new products, following a monthly tender process.

f. Such nodal agency (ref 5.1.2.a) shall publish on its web-site, the details of RC established once in every 6 months/1 year, and update the list every month, as required in pursuance of the above.

g. APCRDA shall procure their individual requirements of IT products from the vendors listed in the latest and current RC published by such nodal agency. The authority may adopt the other methods of procurement, if their requirement cannot be met by the items listed in the RC or where the items required by them are not covered by the RC.

h. APCRDA shall place order directly on the vendors listed in the RC notified by the nodal agency, in respect of the items for which such vendors have been selected. The prices listed in the RC shall be strictly followed, along with the terms and conditions for RC specified on the website of such nodal agency.

Procuring IT related product(s) through established and recognized rate contracts will reduce the cost, effort, time to the organization without compromise on product quality and process transparency. Keeping in view of the procedures, guidelines, rules, transparency, testing etc. followed by DGS&D/APTS nodal agencies (for example) while fixing the rate contracts, any IT related product(s) required for the organization with project value<=1 Crore may be procured via these kind of rate contracts.
5.1.3 Invitation to Tender (ITT)/Open Competitive Bid (OCB):

“Invitation to Tender (ITT)/Open Competitive Bid (OCB)” is a widely used procurement method within government organizations.

The process consists of preparation of the OCB document, with structured definition of qualification criteria, technical specifications of product(s) required, scope of work, project time lines and other terms & conditions.

The procuring department or agency shall publish the tender notification online as well as in 2 national or state-level newspapers and select vendor or service provider based on three stage or two stage bidding.

Salient features of “Invitation to Tender (ITT)/Open Competitive Bidding”:

✓ “Invitation to Tender/Open Competitive Bidding” is recommended only where the project value is >Rs.10,00,000/- keeping in view of the tender cost (advertisements, statements, paper work etc.), total time taken from tender notification till award of contract, manual effort, procedures followed (Earnest Money Deposit (EMD), Performance Bank Guarantee (PBG), Corpus Fund, Contract Agreement etc.).

✓ “Invitation to Tender (ITT)/Open Competitive Bid (OCB)” via e-procurement is recommended, keeping in view of enhancing transparency, nullifying nepotism.

✓ Evaluation of tender will be done either in 3 subsequent steps namely “Pre-Qualification Evaluation”, “Technical bid Evaluation”, “Financial bid evaluation” or in 2 subsequent steps namely “Technical bid Evaluation”, “Financial bid evaluation”. The objective of this system is to ensure a fair evaluation of the proposal.

✓ The technical evaluation committee will evaluate the tenders and will finalize the bidder who has quoted L1 out of all the bidders who are already qualified in “Pre-Qualification Evaluation”/ “Technical bid Evaluation”. Authority shall approve the recommendations of technical evaluation committee after examination of all the required documents.

✓ For the items costing up to Rs.50.00 Lakhs the tender notice shall be published in two Telugu dailies with the largest circulation. For items costing more than Rs.50.00 Lakhs, the tender notice will be published in one English daily and one Telugu daily having largest circulation. However, based upon the
criticality/scope of the procurement where the procurement value is less than 50 lakhs, the authority may decide to publish the tender notice in one English daily and one Telugu daily having largest circulation to ensure much wider publicity.

Keeping in view of the procedures, guidelines, rules, transparency etc. followed in tender process, any IT or IT related product(s) required for the organization, may be procured via tender process without any upper limitation set on project value/price.

**Guidelines for procurement through Open Competitive Bid (OCB):**

- Administrative approval and financial sanction from competent authority has to be taken by respective department to execute the work and updated standard bidding document with technically sound BOM estimates should be used for the tendering process.

- The criteria adopted in prequalification of consultants are not restrictive and shouldn’t provide undue benefit to any bidder. Requests for amendments in the criteria may be considered in a fair and just manner.

- In case L1 bidder withdraws before the work order is placed, or before the supply or execution of work order takes place, re-tendering may be done in a transparent and fair manner.

- Negotiations may be recommended only with L-1 in exceptional circumstances like proprietary products/cartel formation etc., after due application of mind and recording valid, logical reasons justifying negotiations. In case of inability to obtain the desired results by way of reduction in rates and negotiations prove in infructuous; satisfactory explanations are required to be recorded by the tender evaluation committee who recommended the negotiations. Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making.

- In cases, where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity may be procured via re-tender, through normal tendering process.
6 IT PROCUREMENT MATRIX

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Project Value (\textit{\L})/Procurement Strategy (\textrightarrow)</th>
<th>Request for Quotations [RFQ]</th>
<th>Request for Quotations [RFQ] governed by a technical evaluation committee [TEC]</th>
<th>Rate Contracts (RC) DGS&amp;BD RC—Govt. of India/ APIS RC—Govt. of Andhra Pradesh etc.</th>
<th>Invitation to Tender (ITT)/Open Competitive bidding (OCB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PV&lt;Rs. 1,00,000/-</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>2</td>
<td>PV&gt;Rs. 1,00,000/- and &lt;=Rs. 10,00,000/-</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>3</td>
<td>PV&gt;Rs. 10,00,000/- and &lt;=Rs. 1 Crore</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>PV&gt;1 Crore and &lt;=5 Crores</td>
<td>✗</td>
<td>✗</td>
<td>✓*</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>PV&gt;5 Crores</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
</tbody>
</table>

 PV\rightarrow Project Value

* The purchase committee or competent authority shall decide the procurement model, based on the best scenario.

7 SPECIAL PROVISIONS OF PROCUREMENT

7.1 Emergency Procurements:

In case of emergency requirements, where the purchase value is not more than Rs. 10,000/-, such purchase can be done directly from any vendor, without having ±20% variation in price when compared with online/other vendors. The warranty and other specifications shall also be ascertained.

7.2 Repeat Orders:

The organization may take up the expansion of an IT implementation soon after the original scope of the project has been entrusted or executed. To ensure the fast roll out for the department with the same specifications of products, the process of ‘repeat order’ may be adopted, subject to the following conditions.

i. The repeat order can be placed only within a period of six months from the date of placing original purchase order.

ii. The original procurement should have followed all the guidelines as mentioned in this document.

iii. Repeat order can be placed for a maximum of two times, recoding the reasons for adopting it each time.

iv. The value of each repeat order shall be less than or equal to the original purchase value.
7.3 Procurement of proprietary products:

Proprietary products (both hardware and software) which are unique and appropriate to the requirement under consideration can be procured by calling proposal from the OEM or partner authorized by OEM. The price quoted by the OEM or authorized partner to any government organization/authority shall not be more than that at which the product was supplied by the OEM/authorized partner to any other similar customer in India during a period of the preceding 6 months.

The need for procuring the proprietary products shall be certified by a technical expert committee with justification supported by recorded facts.

8 PROCESS FOR POLICY CHANGES:

Any changes to this policy shall be recommended by a three-member committee headed by Addl.Commissioner, APCRDA and the same to be approved by Commissioner, APCRDA.

9 EFFECTIVE DATE

This policy will be effective from the date, when approved by the Commissioner, AP CRDA, Vijayawada.

10 REFERENCES

During the preparation of this APCRDA IT Procurement Policy V1.1 document, the following references have been glanced:

1. CVC Guidelines for procurements.
2. Transparency International India (TII) document for procurement.
3. APTS IT procurement policy.
11 FLOW CHART REPRESENTATION OF IT PROCUREMENT MATRIX