

RFP for selection of Third Party Agency for Concurrent Audit of
Development, and Final Audit of the Application, IT
Infrastructure, Performance and Security of IT Solution for
KHAJANE II

August 2011

Department of Treasuries, Government of Karnataka

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LETTER OF INVITATION

Bangalore, 20.08.2011

Dear Madam / Sir,

Project Director Khajane – II, invites Proposals for selection of Third Party Agency for Concurrent Audit of Development, and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution of the “Khajane II” - An Integrated Financial Management System of the Government of Karnataka. For more details on the Services required, please refer to the attached Terms of Reference.

An agency to conduct Third Party Audit (TPA) will be selected under Quality and Cost-Based Selection (QCBS) as per the procedures described in this RFP.

The RFP includes the following documents:

- Letter of Invitation
- Scope of Work
- Information to Bidders
- Bidding Process Details
- Bid Formats
- Master Services Agreement

Kindly respond to the RFP as per the directions and the formats provided in the RFP before 20.09.2011.

Yours sincerely,

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Project Director – Khajane II,
Podium Block, Ground Floor, V.V. Towers, Dr. Ambedkar Veedhi
Bangalore 560001
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1 Introduction

1.1 About KHAJANE II

The Department of Treasuries is charged with the responsibility of managing Government funds. Its 216 Treasuries spread out in the State, conduct transactions of Government monies, both receipts and payments and render proper accounts of financial transactions conducted. The Department of Treasuries is under the administrative control of the Finance Department. The Director of Treasuries is the Chief Controlling Authority for the Treasury Department and is responsible for the efficient functioning of the department.

1.2 About IT system for Department of Treasuries

In order to streamline and modernize the processes in its treasuries the Department embarked on a programme of computerization of its core processes in the year 2001, which resulted in development of an internal computerization system called "Khajane". This system served the department well and has been in operation now for 9 years.

The "Khajane "system was a substantial leap from the pre-existing manual system and has features like –

- i. System based clearance of bills in each treasury of Karnataka, after checking for budget availability with the database; Monthly generation of accounts of expenditure by the treasuries;
- ii. Elimination of systemic deficiencies possible in the manual system, like over drawl of funds, fraudulent withdrawals, misclassification of expenses, non-reconciliation of accounts, delay in finalization of accounts and delay in settling claims;
- iii. Helping the administration in better cash management & budget monitoring;
- iv. Providing timely and accurate information to various Government departments regarding revenues and expenditure for better management of various schemes.

The existing Khajane system despite its many beneficial features has the following limitations:

1. It focuses on automation of the internal treasury functions only.
2. It relies on usage of floppies and related media devices for transfer of data as critical as budget.
3. Data entry gets done at multiple levels leading to duplication of efforts.
4. A latency of 5-10 days in generation of account statements after investment of enormous manual effort.
5. It is developed on a client Server technology and was till now operating on a limited VSAT bandwidth implying higher maintenance costs.
6. It has serious security gaps, like absence of audit trails; allows for modification of data at the database level, use of only password for access, unencrypted management of passwords, etc.
7. It works on old and irreparable hardware and system software, which are not supported any longer.

After nine years of successful performance issues began to raise themselves in the Khajane system, like the impending replacement of the old and irreparable hardware meant for supporting the Khajane system, accommodating new functionalities etc. Concomitantly the department felt the need to relook at the condition of the application software too. Therefore in the year 2008, a third party audit of the Khajane system was performed. The audit recommended the phasing out of the old Khajane both in terms of Software and Hardware, and suggested replacement with a new system, which can cater to the requirements of the department for the next 10 years. The expectations of the new system are that it should be able to meet the increasing demands of the user departments and the stakeholders. Therefore it should have the following features:

1. Provide for Integration between the treasury system and the stakeholder departments for real time transfer of information.
2. Enable Secured and automated mechanism of information transfer.
3. Should result in Efficiency in utilization of human resources.
4. Make available Real-time MIS reports to all stakeholders.
5. Accrue to the department all facilities of technical advancements in the field of networking so as to reduce maintenance cost.
6. Make the availability of data hassle-free resulting in faster conclusion of activities.
7. The system should ensure tighter security of data and audit trail of all activities carried out within itself.
8. It should result in transparency in treasury functions along with participative accountability.

Keeping the above requirements in mind, the Finance Department has begun the process of building a next generation Treasury automation system Khajane II.

Proposals from shortlisted bidders in response to the RFP for selecting a System Integrator (referred as SI in the rest of the document), with relevant experience and capabilities to design, develop, implement, operate and maintain Khajane II system have been received. It is expected that the selected System Integrator should be in place by 31st August 2011.

2 Scope of Work

The overview of scope of work for the SI who will develop and implement Khajane II is given below:

No	Scope of Work	Details
1	Application Software Development	a) System Requirement Study b) Solution Design c) Software Development / Customisation d) MIS Reports e) Software Testing f) Documentation
2	IT Infrastructure for the Application	a) Sizing, Procurement and Delivery of Infrastructure components at Data Centre / Disaster Recovery Site b) Installation and configuration of hardware and system software c) Installation and configuration of application software on the installed IT infrastructure d) Overall system acceptance testing e) Warranties and support f) Insurance for the IT Infrastructure
g)	Migration of Data	a) Data Migration
b)	Training	a) End user training
b)	Operations and Maintenance of the System	a) Application Support and Maintenance b) Infrastructure Maintenance c) User Profiles and Account Management d) SLA Monitoring e) Project documentation

Table 1: Overview of Scope of Work of SI

2.1 Broad Objectives of the Assignment

As per the contract, the SI is required to prove in the Pilot Phase that:

- a. It has the application required by the Government and that the application is robust & secure and capable of efficiently handling heavy workloads in a real-time environment and

- b. It has established the Systemic infrastructure required for rolling out the application across the State.

Given that the System Integrator chosen will develop a new system as per the requirements which are detailed in the RFP, a brief of which is highlighted above; a Third Party Agency is now required to validate the outcome of the project with respect to its objectives.

The Audit agency selected based on this tender will be required to test and audit SI's application and the systemic infrastructures developed by it and submit a report to the Project Director, Khajane II (Director of Treasuries) about its findings. The Terms and Conditions by which the testing and audit have to be done are described in the 'Terms of Reference' (ToR) section. The report submitted by the Audit agency may be reviewed by the Technical committee, with a representative from the SI and based on the report and the evaluation of the committee, a decision would be taken on implementation of the suggestions of the TPA by the SI.

For acceptance testing and audit of the Khajane II system during the Pilot stage, the audit agency will need to:

- a. Test the Khajane II application and the systemic infrastructure deployed by the SI;
- b. Initial Security audit of the Khajane II system and
- c. Submit a report to the Project Director, Khajane II about its findings

The audit agency should perform a security audit of the entire IT system before start of the pilot phases of each stage of rollout. On successful completion of the rollout of both the stages of Khajane II application software, across all Treasuries, the audit agency would be required to conduct a review security audit; this would be required in order to ensure that all security requirements and recommendations from pilot have been well addressed within the final rolled out system. Subsequently in the first year after go-live, the TPA should perform two security audits one after 6 months from go-live and another at 52nd week after go-live.

In case if the department intends to extend the contract for security audit to 2nd year or 3rd year or till the end of the SI contract, it may do so at rates mutually acceptable to both the TPA as well as the department.

2.2 Scope of Work for the TPA

The TPA selected for this assignment based on this RFP will be required to do the following

–

1. Verify compliance with pre-defined terms and conditions in the Khajane II RFP pertaining to software development & hardware deployment,
2. Perform security audit (both application software, server side hardware and system software) and,
3. Test capability of the system to handle load as per the performance level benchmarks specified in the SLAs of the Khajane II RFP.

The TPA, in association with the Khajane II SI, will lay down a set of guidelines following internationally accepted norms and e-Governance Standards for the testing and audit in all aspects of the project development and implementation covering software, hardware and networking including the processes relating to the design of solution architecture, design of systems and sub-systems, coding, testing, business process description, documentation, version control, change management, security, service oriented architecture, performance in relation to compliance with SLA metrics, interoperability, scalability, availability and compliance with all the technical and functional requirements of the Khajane II RFP and the agreement.

In addition to the above the TPA shall verify the compliance of the SI to the standards and guidelines identified in the previous section.

The TPA will be involved with the project early in the development stage to ensure that the guidelines are being followed and to avoid large-scale modifications pursuant to testing done after the application is fully developed.

The TPA will establish appropriate processes for notifying the System Integrator of any deviations from the norms, standards or guidelines and the RFP terms at the earliest instance, after noticing the same to enable the operator to take corrective action.

In order to perform the audit, the TPA may require lab facilities, while the department may assist by providing all facilities readily available with it, it in no way guarantees the availability of all such facilities at all times; and in such circumstances where the department informs the TPA about its inability to provide such facilities, the TPA would have to make its own arrangements in a manner such that the integrity and security of the Khajane II IT system is not compromised and the objectives of the audit process is achieved.

The assignment would consist of two phases

1. Concurrent Audit of the Software development process:

This audit will be performed while the requirements analysis, design and development are being performed. As part of this audit, series of best practices & standards document will be prepared by the SI. These documents will relate to the following - coding, testing, project management and risk management. The TPA needs to verify and validate these documents and approve them, before the SI proceeds with solution design. These documents will be manuals to be followed by the SI at all stages of SDLC. The TPA will be responsible for giving concurrence to the standards and escalating any deviations. During this stage all the deliverables in the document and application software source code would be audited for quality. The concurrent audit will focus on the following –

- a. Verification and validation of the adoption of standards and best practices by the SI during various stages of Software Development.
- b. Code walkthrough and code audit to –
 - a. Identify security loopholes within the code.
 - b. Identify wrong approach, in terms of writing code or designing database.
 - c. Identify design related issues.

During concurrent audit, the TPA, at specific intervals, will have to bring in resources to review the source code or documents delivered by the SI. The interval of intervention would depend upon the SI and the Project Director. The SI on completion of a component of his development work would inform the Project Director of the completion and its ability to share details and deliverables with the audit team. After assessing the deliverables the Project Director would inform the TPA for performing the audit. Once audited the deliverables would be stored in a safe vault maintained and managed by the Project Director. In case any change is required over this deliverable the Project Director would again seek TPAs assistance for performing audit over the updated component. Here the bidders should note that different components and their integration may require more than one round of audit and as such it may take such a scenario into consideration while quoting in the commercial proposal.

2. User Acceptance Test and Functional Compliance Audit:

This audit will be performed at the stage of user acceptance, once the final source code has been handed over for audit and compliance. This audit will focus on compliance of the application software to the functional requirements specified in the Khajane II RFP.

3. Security & Implementation audit:

This audit will focus on the compliance of the application software to the security requirements mentioned in the RFP published for Implementation and Maintenance of Khajane II. During this stage, audit will be performed to ensure that the SLA monitoring processes have been firmly put in place. The role of the TPA would be to verify and validate the –

- i. Accurateness & reliability of the details being projected by the SLA monitoring system.
- ii. Completeness of the SLA monitoring system, in terms of information being captured and projected.
- iii. Operationalization of the SLAs, which would include identification of all such attributes and their related values, which will have impact on the performance of the system for e.g., issues which may adversely impact the performance of the system or result in downtime.
- iv. Develop an in-depth elaboration of all issues which can be classified as Critical, High Risk, Medium Risk and Low Risk.

4. Performance Testing:

A series of testing steps will have to be performed to identify the effectiveness of the entire IT system in delivering results as per the performance requirements specified under the SLAs. The tests would be performed over the entire system, including hardware, software and network, so as to ascertain the efficiency of the deployed BoM. TPA using tools at its disposal or tools provided by the Khajane II SI would verify and validate the results of these tests performed over the system by the SI. To achieve this objective the TPA shall perform its own sets of performance tests using scripts prepared by it. During the process of performance testing, if the TPA comes across certain discrepancies in the results, it shall suggest remedial actions to the SI so that the Khajane II IT system meets all service level requirements as specified in the Khajane II RFP.

5. Penetrative Testing:

The security of system hardware will have to be evaluated by simulating an attack from a malicious source, known as a Black Hat Hacker, or Cracker. The process will involve an active analysis of the system for any potential vulnerabilities that could result from poor or improper system configuration, both known and unknown hardware or software flaws, and operational weaknesses in process or technical countermeasures. The TPA would be responsible for performing penetrative testing over the system to identify any security loopholes.

Within these five stages two sub activities shall be performed, namely,

- a. Primary audit – Preliminary investigation and reporting of deviations and corrections to be performed over each deliverable.
- b. Concurrence Audit – Final investigation for checking the implementation of recommendations given during the primary audit.

As part of Acceptance testing, performed through the TPA, the department will undertake a review of all aspects of development and implementation covering software, hardware and networking, including the processes relating to the design of solution architecture, design of systems and sub-systems, coding, testing, business process description, documentation, version control, change management, security, service oriented architecture, performance in relation to defined requirements, interoperability, scalability, availability and compliance with all the technical and functional requirements of the Khajane II RFP and the agreement.

In order to achieve its objectives the TPA may hire one or more independent consultants / auditors / agencies and present their capabilities as part of their proposals. Here it should be noted that such consultants should adhere to the qualification criterion proposed as part of this document and their roles should be limited to the elements within the Scope of Work mentioned in this document. In case the TPA hires independent consultants for this project then it will be liable for the quality of services provided by the consultant / auditors as well.

2.3 Objectives of the Audit

The key objective of the audit is to review the guidelines and standards proposed by the SI for software development and verify compliance to those guidelines; and to suggest remedial actions to ensure compliance of the SI's solution in areas of Functional Requirements, Technical Requirements, Operational requirements, Performance criteria &

SLA, IT Infrastructure and Security as specified in the RFP published for selecting a SI for Implementing and Maintaining Khajane II

2.3.1 Software Development Life Cycle

The process of software development for the Khajane II IT system adopted by the SI should adhere to the accepted standards and best practices. These standards shall be proposed by the SI and reviewed by the TPA for their completeness. The TPA is expected to verify the compliance to agreed upon standards, implementation methodology and tools, from time to time. The TPA will verify and validate that all key aspects of application software development like version control, coding standards, test plan and methodology and related policies are documented and are being followed by the SI.

2.3.2 Functional, Technical and Operational Compliance

The Khajane II RFP has listed sets of functional, technical and operational requirements expected from the proposed Khajane II IT system. The TPA has to audit the upcoming Khajane II IT system, to verify whether the system addresses all such requirements. If any deviations are identified, then the TPA should escalate the same to the department and the SI, along with suggestions on the corrective measures to be undertaken, for resolving such deviations.

2.3.3 Performance criteria and SLA

The TPA would audit and document, whether the final Khajane II IT system developed by the SI would be able to perform as per the criteria set in the Khajane II RFP. It would thoroughly test and report the robustness of the Khajane II IT system against the Technology and Performance SLA criteria specified in the RFP for selection of SI. The TPA shall conduct performance testing beyond the specified requirements until the system breaks down (stress testing), and report its findings. The SI is required to address these shortcomings in the system. Test cases required for performance testing has to be written and executed by the TPA, wherein similar load conditions have to be simulated.

2.3.4 IT Infrastructure

The TPA would test, audit and document the IT infrastructure (Hardware and System Software) configuration (as per the agreed upon Bill of Material between Khajane II SI and Project Director Khajane II) set up by the SI including

- i. Infrastructure deployed at DC and DR
- ii. Business Continuity and Disaster Recovery mechanisms (including testing of DR functionality)

iii. Enterprise management system/ SLA monitoring System

2.3.5 Security Audit

As the system would handle critical information related to treasury transactions, it is imperative that the application is secure and security related policies, processes and procedures are envisioned and implemented properly, as per standards specified in the RFP for selection of SI. As an integral part of the process, the TPA will be required to audit the Security Architecture, implementation of security features in the hardware infrastructure and system software, used for hosting the Khajane II application and entire IT system.

2.4 Detailed Scope of Work

2.4.1 Deployment of a project manager

The TPA shall deploy a project manager, who should be based out of Bangalore and should have the capability to interact and report to the Project Director – Khajane II. The manager would be responsible for the following activities –

1. Single point of contact for the agency selected as TPA through this RFP.
2. Reporting to the Project Director and other key stakeholders on the key findings of the audit process.
3. Validating the correctness of the audit reports and their findings.
4. Interacting and resolving issues with the Khajane II SI.
5. Attending all project meetings of Khajane II, which require the presence of the TPA.
6. Ensuring adherence to timelines, as specified in this RFP.

The Project Manager is not seen as a dedicated resource requiring permanent deployment, but an adhoc resource who would be taking responsibilities on behalf of the Third Party Audit agency.

2.4.2 Software Development Concurrent Audit

The SI will propose guidelines and standards that he will be following for the software development process and implementation of the Khajane II IT system, while maintaining strict compliance of all technical and functional requirements of the “RFP for Implementation and Maintenance of Khajane II Project” and the agreement.

The TPA will review the guidelines for their completeness, with respect to internationally accepted norms and e-Government Standards and related tools.

Of singular focus will be the guidelines proposed by the SI for the software development during the entire software development life cycle including (but not limited to):

- i. Processes related to requirement gathering.
- ii. Processes related to project management.
- iii. Processes related to quality assurance.
- iv. Processes relating to the design of systems and sub-systems, Solution architecture, Technical architecture.
- v. Use of appropriate technologies – (e.g. XML, SOAP , web services).
- vi. Coding standards, including documentation within the software code.
- vii. Data integrity and reconciliation through migration and master creation processes.
- viii. Data integrity during operations and redundancy/ synchronization controls.
- ix. Business process description.
- x. Documentation.
- xi. Backup and recovery procedures.
- xii. Integration and Testing procedures.
- xiii. Version control.
- xiv. Change management.
- xv. Processes related to release of software.
- xvi. Adequacy of MIS, reconciliation and control reports – online and batch including SLA compliance monitoring mechanisms
- xvii. Risk management

The TPA shall review the same, and recommend any best practices or standards to be incorporated. The final guidelines and standards to be followed by the SI would be arrived at after considering the inputs of the TPA and the final decision will be taken by the Department.

The SI and TPA shall establish appropriate protocol for notifying the SI of any deviations from the norms, standards or guidelines at the earliest instance after noticing the same, to enable the SI to take corrective action.

The TPA shall check on a continuous basis whether the agreed upon guidelines and standards are being followed by the SI and report to the Department forthwith any non compliance to the standards and guidelines. Based on discussions with the SI and Project Director Khajane II, actions will be decided. The TPA will also verify that the action points identified are addressed by the SI.

The detailed Technical Stack over which Khajane II would be built has been provided in the Annexure 5.2: Khajane II Technology Stack.

2.4.3 User Acceptance Test and Functional Compliance Audit

The SI will propose guidelines and standards that it will be following for the testing of following aspects of the Khajane II IT System -

- i. Khajane II application software, including MIS, Payment Gateway, Integration Layer, etc.
- ii. IT infrastructure including those deployed at Data Center and those proposed for DR, Enterprise management system/ SLA Monitoring System, data back-up, and disaster recovery and business continuity for different failure scenarios.

These documents shall be written by the SI, based on the requirements set up in the “RFP for Implementation and Maintenance of Khajane II Project” and international and industry standards and shall be reviewed by the TPA, and in case of any modification required, the same shall be suggested.

The TPA will carry out Acceptance Testing in order to ensure that the Khajane II IT System put in place by the SI meets requirements, standards, specifications and performance as spelt out in the RFP and fulfill the functional requirements of the department. The TPA shall prepare the acceptance test plan.

The SI would be responsible for preparing detailed test cases for UAT and Functional Compliance Test. The TPA shall verify these test cases and ensure that they cover all aspects of the Khajane II IT system. In case it identifies any shortcomings, it should immediately be brought to the notice of the SI and the department.

The TPA shall use test cases to test and report functional, technical and operational compliance of the Khajane II IT system. It shall execute the test cases to test and report whether the IT infrastructure and system software procured and set-up by the SI meets the standards and performance metrics as set out in the “RFP for Implementation and Maintenance of Khajane II Project” for rolling out the Khajane II IT system. IT infrastructure would include infrastructure at the Data Centre and DR. The TPA should report whether the IT infrastructure and system software complies with applicable standards, best practices, requirements and specification of “RFP for

Implementation and Maintenance of Khajane II Project” to meet the project and service objectives. The TPA shall review the business continuity/ disaster recovery plans of the SI under typical user loads of volume and mix (involving 50% switchover to DR site and contingency plans). As part of the IT infrastructure audit, the TPA will also scrutinize configuration of implemented infrastructure against Bill of Material and certify compliance. It should be noted that while the primary responsibility of providing tools for testing rests with the Khajane II SI, in case the TPA finds the tools to be insufficient for meeting its objectives then it may use those proposed by it in its technical proposal. Department in no way shall be held responsible for providing any tool required for the audit.

As part of this audit the TPA shall also test the accurateness and usability of the SLA monitoring tools deployed by the SI. The objective of this exercise would be to verify whether the tools deployed provide an accurate, correct, measurable and verifiable estimation of the system performance, as per the Service Level Requirements listed in the “RFP for Implementation and Maintenance of Khajane II Project”.

2.4.4 Security Implementation & Penetrative audit

The SI will propose guidelines and standards, as per the requirements set out in the Khajane II RFP and known International standards that will be followed for testing the Security features of the Khajane II IT system.

The TPA shall review these documents & propose any modification which it feels necessary.

The TPA would be responsible for preparing a detailed audit plan consisting of test cases for performing Security & Implementation audit. These test cases shall be prepared in conjunction with the SI and shall cover all aspects of the system security. The test cases shall ensure that all loopholes within the system are identified. The test cases shall cover all security related requirements suggested in the Khajane II RFP as well as the prevailing best global standards.

The TPA shall execute the test cases to test and report whether the Khajane II IT system complies with the security requirements stated in the “RFP for Implementation and Maintenance of Khajane II Project” and that the application is safe and secure for handling ‘live’ transactions. Only when the security audit report is received detailing the security readiness of the hardware infrastructure, the Project Director Khajane II will allow ‘live’ transactions to begin through the Khajane II IT system. The security audit should include activities of Penetration testing, vulnerability assessment of critical systems, application security and assessment.

While the primary responsibility of providing tools for testing rests with the Khajane II SI, in case the TPA finds such tools to be insufficient for meeting its objectives then it may use those proposed by it in its Technical Proposal. The Department shall not provide any tools required for the audit.

2.4.5 Performance Testing

The SI will propose guidelines and standards, as per the requirements set out in the Khajane II RFP and best known International standards that will be followed for the testing of the following aspects the Performance in relation to compliance with SLA metrics and compliance with all the technical and functional requirements of the “RFP for Implementation and Maintenance of Khajane II Project” and the related agreement.

These documents shall be reviewed by the TPA and in case of any modification required the same shall be proposed by the TPA.

The SI shall develop exhaustive test cases to test aspects of the Khajane II IT System like security, infrastructure, etc for compliance with the “RFP for Implementation and Maintenance of Khajane II Project” including test cases for performance and load testing. The TPA shall verify these test cases and ensure that they cover all aspects of the Khajane II IT system. In case if it identifies any shortcomings, it shall immediately bring the same to the notice of the SI and the department.

The TPA shall use the test cases to test and report whether the Khajane II IT platform performs optimally as per the Technology and Performance SLA criteria stated in the “RFP for Implementation and Maintenance of Khajane II Project”. While the Khajane II SI would be responsible for providing tools required to perform this audit yet in case the TPA finds such tools to be insufficient in meeting its objectives it would be required to bring in customized tools from its own inventory. The tools which have been proposed by bidder in the technical criterion shall be used while performing this audit.

2.5 Deliverables

1. Publishing guidelines and standards for design, development, test and acceptance of the Khajane II IT system; including its hardware, software, security, performance, etc. The report will be prepared in conjunction with the SI.
2. Monthly reports on compliance to guidelines and standards specified above; and actions required / taken to ensure compliance.

3. Publishing of detailed test cases for performing security and penetrative audit of the system.
4. Report on enhancements required over test cases drafted by SI.
5. Review Report on security implementation and security readiness of the hardware infrastructure.
6. Individual Final Audit reports on defects and deficiencies (if any found), including actions to ensure compliance for the following:
 - a) Functional, Technical and Operational Compliance;
 - b) Performance and SLA compliance Audit of Khajane II IT system;
 - c) IT infrastructure and system software compliance audit of the Khajane II IT system;
 - d) Security audit of the Khajane II IT system

The TPA and the Project Director may agree on any additional reports or deliverables which may be required for delivering services under this RFP. Such reports or deliverables would be based upon the factual assessment done by both the parties and have to be listed out as part of the agreement signed. Any additional reports during the course of the contract will be mutually agreed by both the TPA and PD Khajane-II.

2.6 Timelines for the Audit

In the initial two weeks all necessary guidelines for the software development phase proposed by the SI will have to be reviewed by the TPA, and finalised after modifications (if any are required). The other guidelines for the Performance Audit, Security Audit and IT Infrastructure Audit may be submitted within 2 months of the start of the development/customization of Khajane II IT system.

The Software development concurrent audit will be carried on a continuous basis for the entire duration of the development of the Khajane II Application. Here it must be noted that the timelines may get extended because of various reasons, which may be beyond the control of the Project Director. This may result in delay in achieving of milestones beyond the schedule mentioned in this RFP or in the RFP for Selection of SI for Implementation and Maintenance of Khajane II project. The bidder must take such delays into account while submitting quotations as part of their commercial proposal.

Timelines for the Audit of Khajane II IT system		
Activity	Details	Timelines for completion of activity or submission of

		deliverable (A - Signing of the TPA agreement)
A1	<p>Publishing guidelines and standards for design, development, test and acceptance of the Khajane II IT system; including its hardware, software, security, performance, etc. This report will be prepared in conjunction with the SI.</p> <p>Note: Guidelines shall come from SI and vetted and finalized with modifications, if required, by the TPA</p>	A + 2 Weeks
A2	Monthly reports on compliance to guidelines and standards specified above; and actions required / taken to ensure compliance.	A1 onwards
A3	Publishing of the detailed sets of test cases for security and penetrative audit.	A + 8 Weeks
A4	Delivery & deployment of the required IT equipments (including hardware & network devices) at Data Centre and BCP / DR.	In consonance with Khajane II implementation. Responsibility of the SI.
A5	Audit of IT infrastructure and system software compliance of the Khajane II IT system	A4 + 2 Weeks
A6	Report on enhancements required over test cases drafted by SI.	A4 – 11 weeks
A7	Notification from SI for Audit and Acceptance of Khajane II IT system	As per the timelines specified for Stage 2 implementation of Khajane II
A8	Review Report on security implementation	A7 + 2 Week
A9	Report on security readiness of the hardware infrastructure	A7 + 2 Week
A10	<p>Preliminary report on</p> <p>a. Functional, Technical and Operational</p>	A7 + 9 Weeks

	<p>Compliance</p> <p>b. Performance and SLA compliance Audit of Khajane II IT system</p> <p>c. IT infrastructure and system software compliance Audit of the Khajane II IT system</p> <p>d. Security audit of the Khajane II IT system</p>	
A11	Submission of updated application software by SI, after rectification of defects and deficiencies in the Khajane II IT system as explained in the preliminary audit report	A10 + 4 Weeks
A12	Audit agency to test, certify and audit the rectified defects and deficiencies	A11 + 2 Weeks
A13	<p>Final report on</p> <p>a. Functional, Technical and Operational Compliance</p> <p>b. Performance and SLA compliance Audit of Khajane II IT system</p> <p>c. IT infrastructure and system software compliance Audit of the Khajane II IT system</p> <p>Second report on</p> <p>d. Security Audit of the Khajane II IT System</p>	A12 + 6 Weeks
A14	<p>Third report on</p> <p>a. Security Audit of the Khajane II IT System</p>	A13 + 38 Weeks
A15	<p>Final report on</p> <p>a. Security Audit of the Khajane II IT System</p>	A14 + 26 Weeks

Table 2: Indicative Timelines

2.7 Terms of Payment

S. No.	Milestone	Payment
1.	A3 or Sign-off from Department of System Design Documents & Testing Approach & Plan documents, whichever happens later.	10% of the total cost
2.	A7 or Submission of Khajane II Software for Third Party Acceptance Testing & UAT, whichever happens later.	10% of the total cost
3.	A11 or Upon successful fixing of issues highlighted in third party and user acceptance testing, whichever happens later.	20% of the total cost
4.	A12 or Pilot Go-live of Stage II of Khajane II software, whichever happens later.	10% of the total cost
5.	A13 or Commencement of operations of the Data Centre and BCP / DR with all treasuries migrating to Khajane II software, whichever happens later.	10% of the total cost
6.	Go-live of Khajane II IT system.	20% of the total cost
7.	A15 or Completion of integration of all state Government departments with Khajane II, whichever happens later.	20% of the total cost

3 INFORMATION TO BIDDERS

3.1 Invitation to Bid

This invitation to bid is for selecting a Third Party Agency (TPA) to conduct Concurrent Audit of Development and Final Audit of Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II, an Integrated Financial Management System of the Department of Treasuries, Government of Karnataka.

3.2 Name of Issuing Office

Project Director - Khajane II, Government of Karnataka

3.3 Issuer and Address for Bid Submission & Correspondence

Director of Treasuries &

Project Director Khajane – II,
V.V. Towers; Podium Block,
Dr. Ambedkar Veedhi,
Bangalore-560001
Email: treasuriesdirector145@gmail.com
Ph: no: 080-22867700; fax- 080 22860142

3.4 Instructions to bidders

- a. The Project Director will select a bidder among those who responded to the RFP, in accordance with the method of selection elaborated in this RFP.
- b. Bidders are invited to submit a Technical Proposal and a Financial Proposal, as specified in the Proposal for selecting a Third Party Agency (TPA) to conduct Concurrent Audit of Development and Final Audit of Application, IT Infrastructure, Performance and Security of IT Solution for “Khajane II, an Integrated Financial Management System” of the Department of Treasuries, Government of Karnataka. The Proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected bidder.
- c. The Assignment shall be implemented in accordance with the phasing indicated in sec. 2.6, Timelines for the Audit and sec. 2.5 Deliverables for Khajane II. When the Assignment includes several phases, the performance of the Bidder under each phase must be to the Project Director’s satisfaction before work begins on the next phase.
- d. Bidders must familiarize themselves with local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the assignment and on the local conditions, bidders are encouraged to pay a visit to the O/o the Project Director before submitting a Proposal, and to attend a pre-bid conference. Attending the pre-bid conference is optional.
- e. Government of Karnataka (GOK) expects professional, objective, and impartial advice from the selected bidder and at all times shall hold the Department’s interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired by the bidder for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the Department.
- f. Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:

- A. A firm which has been engaged by the Project Director to provide related works for a project, and any of their affiliates, shall be disqualified from providing consulting services for the same project. Conversely, firms hired to provide consulting services for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier consulting services) for the same project.
- B. Bidders or any of their affiliates shall not be hired for any assignment, which, by its nature, may be in conflict with another assignment of the bidders.
- C. All those firms/companies/agencies that submitted proposals in response to the Khajane II RFP are barred from responding to this RFP.
- D. All those firms / companies / agencies who share common financial interest with the System Integrator of Khajane II are barred from responding to this RFP.
- g. As pointed out in f (A) above, bidders may be hired for downstream work, when continuity is essential, in which case this possibility shall be indicated and the factors used for the selection of the bidder should take the likelihood of continuation into account. It will be the exclusive decision of the Project Director whether or not to have the downstream assignment carried out, and if it is carried out, and who will be hired for the purpose.
- h. It is GOK's policy to require that bidders observe the highest standard of ethics during the execution of such contracts. In pursuance of this policy, the GOK:
 - 1. defines, for the purposes of this provision, the terms set forth below as follows:
 - a. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
 - b. "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of GOK, and includes collusive practices among consultants (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and to deprive department of the benefits of free and open competition.
 - 2. will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract in question;

3. will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded GOK-financed contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a GOK-financed contract; and
4. will have the right to require that, GOK to inspect selected bidder's accounts and records relating to the performance of the contract and to have them audited by auditors appointed by GOK.
- i. Bidder's shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by GOK in accordance with the above sub para h. (3).
- j. Bidders shall be aware of the provisions on fraud and corruption stated in the standard contract under the relevant clauses indicated in this RFP.
- k. At any time before the submission of Proposals, the Project Director may, for any reason, whether at its own initiative or in response to a clarification requested by an invited consultant, modify the RFP documents by amendment. Any amendment shall be issued in writing through addenda. Addenda shall be sent by electronic mail to all bidders and will be binding on them. The Project Director may at its discretion extend the deadline for submission of the proposal.
- l. Technical Proposal
 1. In preparing the Technical Proposal, bidders are expected to examine the documents comprising this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a Proposal.
 2. While preparing the Technical Proposal, bidders must give particular attention to the following:
 1. It is desirable that the majority of the key professional staff proposed be permanent employees of the bidder or have an extended and stable working relation with it.
 2. Proposed key professional staff must at a minimum have the experience as indicated in the Technical Evaluation criteria of this document.
 3. Alternative key professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
 4. Reports to be issued by the Bidders as part of this assignment must be in English. It is desirable that the firm's personnel have a working knowledge of Kannada the official language of the State.
 3. The Technical Proposal shall not include any financial information.
 4. Evaluation of Proposals.
 1. General

- From the time the proposals are opened to the time the contract is awarded, if any Bidder wishes to contact the Project Director Khajane II on any matter related to its proposal, it should do so in writing at the address indicated at 3.3 above. Any effort by the Bidder to influence the Project Director Khajane II in the proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the bidder's proposal.
 - Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation, including its approval by competent authority is obtained
2. Evaluation of Technical Proposals
- The evaluation committee appointed by the Tender Accepting Authority as a whole, will evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria and point system specified in the RFP. Each responsive proposal will be given a technical score (St). A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the RFP.
3. Online Opening and Evaluation of Financial Proposals; Ranking
- After the evaluation of quality is completed, the Project Director Khajane II shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned unopened after completing the selection process. The Project Director Khajane II shall simultaneously notify the Bidders that have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals. The opening date shall not be sooner than one week after the notification date. The notification may be sent by electronic mail.
 - The Financial Proposals shall be opened online on the e-procurement portal. The Project Director Khajane II shall prepare minutes of the online opening.
 - The evaluation committee will determine whether the Financial Proposals are complete, (i.e., whether they have costed all items of the corresponding Technical Proposals, if not, the Project Director Khajane II will cost them and add their cost to the initial price, correct any computational errors.

- The lowest Financial Proposal (Fm) will be given a financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in Sections 4.24 & 4.25 of this RFP of the RFP. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) $S = St \times T\% + Sf \times P\%$. The bidder achieving the highest combined technical/ financial score will be invited for negotiations.

m. CONFIDENTIALITY

1. Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the bidders who submitted the proposals or to other persons not officially concerned with the process, until the winning firm has been notified that it has been awarded the contract.

4 Bidding Process Details

4.1 Procurement of RFP Document & Modes of Payments

1. Bidder can download the tender document from the Government of Karnataka e-Procurement portal (<http://eproc.karnataka.gov.in>), till the due date and time for bid submission.
2. Any interested bidder shall pay the tender processing fees, along with the EMD, as specified in the e-Procurement portal while submitting bids.
3. All payments can be paid through any of the four e-payment options in the portal:
 - i. Credit Card
 - ii. Direct Debit
 - iii. National Electronic Funds Transfer (NEFT)
 - iv. Over the Counter (OTC) – designated Axis bank branches located across the country
4. Please note that payments submitted through cheque or demand draft shall not be accepted. Further details regarding e-Payment, please refer to e-Procurement portal at the above mentioned website or call e-procurement helpline 080-22485867.
5. It will be in the interest of the bidders to familiarize themselves with the e-Procurement system to ensure smooth preparation and submission of the tender documents.

4.2 Documents Comprising the RFP

1. Bidders are advised to study the Tender document carefully. Bidders are also requested to read the Khajane II RFP attached as an annexure to this RFP, particularly those areas which pertain to the TPA. Submission of Tender shall be deemed to have been done after careful study and examination of the tender document with full understanding of its implications. Failure to furnish all information required as mentioned in the RFP document or submission of a proposal not substantially responsive to the RFP document in every respect will be at the Bidder's risk and may result in rejection of the proposal and forfeiture of the Bid Security.

4.3 Pre-Bid Conference

1. A Pre-bid conference will be held on the date and address mentioned in clause 4.17. The representatives of the interested organisations may attend the pre-bid conference at their own cost. The prospective participants have to inform the Project Director Khajane II on the mail id mentioned for attending the pre-bid conference.
2. The purpose of the conference is to provide bidders with information regarding the RFP and the IT Solution, and to provide each bidder with an opportunity to seek clarifications regarding any aspect of the RFP and the Project.
3. Request for clarifications from the bidders shall be received through email/fax/post (in the format specified in the RFP Annexure), not later than 10 calendar days before the last date for submission of bids. All requests shall be addressed to the contact person i.e. Project Director Khajane II as mentioned in Clause 3.3 above.
4. Project Director Khajane II will endeavour to provide a complete, accurate, and timely response to all questions to all the bidders. However, Project Director Khajane II makes no representation or warranty as to the completeness of any response, nor does Project Director Khajane II undertake to answer all the queries that have been posed by the bidders.
5. Project Director Khajane II may incorporate any changes in the RFP based on acceptable suggestions received during the interactive Pre Bid Conference. The decision of Project Director Khajane II regarding acceptability of any suggestion shall be final in this regard and shall not be called upon to question under any circumstances
6. However, prospective bidders are free to raise their queries during the meeting and responses will be conveyed to all the prospective bidders (by way of hosting amendments/ clarifications through e-mail, or/and on the website i.e. at www.eproc.karnataka.gov.in in accordance with the respective clauses of the RFP within 7 working days of completion of the Pre Bid Conference.

4.4 Clarifications & Amendment to the RFP Document

1. Bidders may request a clarification of any item of the RFP document up to 10 days before the Proposal submission date. Any request for clarification must be sent in writing by paper mail, facsimile, or electronic mail to the address indicated at 3.3 in the format 8 provided at 5.8. The Project Director will respond by electronic mail to such requests and will send

copies of the response (including an explanation of the query but without identifying the source of inquiry) to all invited TPA who intend to submit proposals.

2. At any time till 10 days before the deadline for submission of bids, Project Director Khajane II may, for any reason, whether an own initiative or in response to a clarification requested by a prospective Bidder, modify the bidding document by amendment.
3. All amendments made in the document would be published in the website of www.eproc.karnataka.gov.in.
4. Bidders are also advised to visit the aforementioned website on a regular basis for updates. Project Director Khajane II also reserves the right to amend the dates mentioned in clause 4.17 for the bid process.

4.5 Late bids

1. The e-Procurement Portal will not allow bidders to submit bids beyond the due date and time of bid submission. Bids received after the due date and the specified time for any reason whatsoever, shall not be entertained.

4.6 Mode of Submission

1. All interested bidders shall pay EMD and Tender Processing fee and submit their Pre-qualification, Technical and Commercial RFP responses electronically using the unified e-Procurement platform of the Government of Karnataka. The e-Proc portal is available at <http://www.eproc.karnataka.gov.in>
2. Bidders shall submit their bids only through the unified e-Procurement system, before the scheduled date and time for bid submission. Tenders submitted after the due date and time will not be considered and Project Director Khajane II will not be liable or responsible for any delays due to unavailability of the portal and the internet link.

4.7 Consortium

1. This tender is open to only single bidders and consortiums of more than one firm / companies / organizations are not allowed to participate.
2. The bidder may hire consultants to enhance its capabilities and to complement its expertise. Resumes of such consultants should be proposed as part of the bidder's proposal and such resources should fulfil minimum qualifications required under this RFP.

4.8 Authorised Signatory (Bidder)

1. The "Bidder" as used in the RFP shall mean the one who has signed the Bid document forms. The Bidder may be either the Principal Officer or the duly Authorised Representative of the Bidder, in which case Bidder shall submit a certificate of authority. All certificates and documents (including any clarifications sought and any subsequent correspondences) received hereby, shall, as far as possible, be furnished and signed by the representative and/or the Principal.

4.9 Proposal Preparation Costs

1. The bidder is responsible for all costs incurred in connection with participation in this process, including, but not limited to, costs incurred in conduct of informative and other diligence activities, participation in meetings/discussions/presentations, preparation of proposal, in providing any additional information required by Project Director Khajane – II to facilitate the evaluation process and in negotiating a definitive Service Agreement (Master Service Agreement provided in this RFP) and all such activities related to the bid process.

4.10 Language of Bids

1. The Bids prepared by the Bidder and all correspondence and documents relating to the bids exchanged by the Bidder and the Project Director Khajane II, shall be written in the English language, provided that any printed literature furnished by the Bidder may be written in another language so long the same is accompanied by an English translation in which case, for purposes of interpretation of the bid, the English translation shall govern.

4.11 Bid Prices

1. The Bidder shall indicate price in the prescribed format Prices should be shown separately for each item as detailed in the Tender Document. The price components furnished by the Bidder in accordance with the format prescribed will be solely for the purpose of facilitating the comparison of bids by the Project Director Khajane II and will not in any way limit Project Director's Khajane II right to contract on any of the terms offered.
2. Prices quoted in the bid must be firm and final and shall not be subject to any upward modifications, on any account whatsoever. However, Project Director Khajane II reserves the right to negotiate the prices quoted in the

bid to effect downward modification. The Contract price shall be the only payment, payable by Project Director Khajane II to the successful bidder for completion of the contractual obligations by the successful bidder under the Contract, subject to the terms of payment specified in the contract. The price would be inclusive of all applicable taxes, duties, charges and levies, unless specified otherwise.

3. Prices, once offered, must remain fixed and must not be subject to escalation for any reason whatsoever within the period of contract. A proposal submitted with an adjustable price quotation or conditional proposal may be rejected as non-responsive.
4. Prices in any form or by any reason before opening the Commercial Bid should not be revealed by the bidder or their representatives, failing which the offer shall be liable to be rejected.

4.12 Bid Currencies

Prices shall be quoted in Indian Rupees (INR).

4.13 Bid Security (Earnest Money Deposit)

1. The Bid shall contain EMD amount of Rs 50,000 (Indian Rupees Fifty Thousand only). E-Procurement portal will deny submission of the bid without submitting the EMD Deposit and it will take a minimum of 2-3 days for confirmation from the bank regarding the EMD realization.
2. The bidder shall be disqualified in the pre-qualification process if the prescribed EMD is not submitted along with the bid. The EMD (bid security) of the unsuccessful Bidder/s will be discharged / returned as promptly as possible, but not later than 60 days after the award of the contract to the successful bidder.
3. No interest will be payable by the Project Director Khajane II on the amount of the Bid Security. The bid security may be forfeited under the following circumstances:
 - i. If a Bidder withdraws his/her bid or increases the quoted prices during the period of bid validity, or its extended period, without the explicit consent of the department, if any; or
 - ii. In the case of a successful Bidder, if s/he fails within the specified time limit to:
 - o Sign the Agreement or,

- Furnish the required Performance Bank Guarantee
- Begin work on the date agreed to with the Project Director

4.14 Validity of Bids

1. All bids must be valid for 180 days from the last date of submission of bids. A proposal valid for a shorter period may be rejected as non-responsive. On completion of the validity period, unless the bidder withdraws his proposal in writing, it will be deemed to be valid until such time that the bidder formally (in writing) withdraws his proposal.
2. In exceptional circumstances, at its discretion, Project Director Khajane II may solicit the bidder's consent for an extension of the validity period. The request and the responses thereto shall be made in writing (or by fax or email).
3. The validity of EMD shall also be suitably extended.

4.15 Correction of errors

1. Bidders are advised to exercise adequate care in quoting prices. No excuse for corrections in the quoted price will be entertained after the proposals are opened.
2. Arithmetic errors in proposals will be corrected as follows:
 - a. In case of discrepancy between the amounts mentioned in figures and in words, the lower of the two shall be accepted.
 - b. In case of error in a total corresponding to the addition of component costs, the individual component costs shall prevail and the total shall be corrected, in accordance to the sum of the component costs.

In case it comes to the notice of the department that there are any typographical errors in the RFP then the department is at liberty to correct them by way of a notification till any time before the financial bid opening date.

4.16 Disqualification

1. The proposal is liable to be disqualified in the following cases or in case the bidder fails to meet the bidding requirements as indicated in this RFP and the PD will have the liberty to forfeit the PBG

2. Proposal not submitted in accordance with the procedure and formats prescribed in this document or treated as non-conforming proposal.
3. During validity of the proposal, or its extended period, if any, the bidder increases his quoted prices.
4. The bidder qualifies the proposal with his own conditions.
5. Proposal is received in incomplete form.
6. Proposal is not accompanied by all the requisite documents.
7. If Bidder provides quotation only for a part of the project.
8. Information submitted in technical proposal is found to be misrepresented, incorrect or false, accidentally, unwittingly or otherwise, at any time during the processing of the contract (no matter at what stage), or during the tenure of the contract including the extension period if any.
9. Revelation of Prices in any form or by any reason before opening the Commercial Bid.
10. Failure to furnish all information required by the RFP Document or submission of a bid not substantially responsive to the Tender Document in every respect.
11. Failure to furnish proofs for information provided.
12. Bidders not quoting for the complete Scope of Work as indicated in the Tender documents, addendum (if any) and any subsequent information given to the Bidder.
13. Bidders not complying with the terms and conditions as stated in the RFP Documents.
14. The Bidder not conforming to unconditional acceptance of full responsibility of providing services in accordance with the Scope of work and Service Level Agreements of this tender.
15. If the bid does not conform to the timelines indicated in the bid.
16. Commercial proposal is enclosed with the technical proposal.
17. Bidder tries to influence the proposal evaluation process by unlawful/ corrupt/ fraudulent means at any point of time during the bid process.

18. Any conviction of the bidder in court case/legal proceedings, tax evasion case.
19. Bidder has been blacklisted by Central/State/UT Government or any of their clients.
20. In case any one party submits multiple proposals or if common interests are found in two or more bidders, the bidders are likely to be disqualified, unless additional proposals/bidders are withdrawn upon notice immediately.
21. Bidder fails to deposit the Performance Bank Guarantee (PBG) or fails to enter into a contract within 15 working days of the date of notice of award of contract, or within such extended period as may be specified by Project Director Khajane II.
22. In case the contract is awarded to such a firm that has made a wrong claim regarding its fulfilment of pre qualification criteria, Project Director Khajane II shall declare the company in breach of the contract and shall immediately terminate the contract and forfeit the Performance Bank Guarantee submitted by the company.

4.17 Bidding Schedule

The following table provides information regarding the important milestones of the bid process. The dates will be available in the e-Procurement Portal (www.eproc.karnataka.gov.in):

Activity	Date
Release of RFP (Request for Proposal)	Dates as specified in e-Procurement Portal, www.eproc.karnataka.gov.in
Last date for receipt of written queries from bidders	
Date and time of Pre-bid conference	
Venue for Pre-bid conference, submission of bids, opening of pre-qualification, Technical and Commercial Bids	Address: Project Director Khajane II, TNMC Khanija Bhavan Race Course Road, Bangalore – 560 001. e-mail: treasuriesdirector145@gmail.com
Response to bidder queries	Dates as specified in e-Procurement Portal, www.eproc.karnataka.gov.in
Last date and time for submission of Bids	
Date and time for opening of pre-qualification Bids	
Date and time for opening of Technical Bids for qualified bidders	T + 2 days
Date for Technical Presentations	T + 1 week
Date and time for opening of Commercial Bids	T + 2 Weeks
Award of Contract	T + 3 Weeks
*T is the last date of submission of bids	

Table 3: Bidding Schedule

4.18 Eligibility Criteria

This invitation to bid is open to all companies registered in India, who fulfil eligibility criteria. Those firms who have submitted their proposals in response to the RFP for “Implementation and Maintenance of Khajane II Project” are barred from participating in this Tender. Similarly all firms / companies / agencies who share common financial interest with the System Integrator of Khajane II are barred from responding to this RFP. Bids that do not conform to

the eligibility Criteria will be rejected summarily and no further evaluation of such bids will be undertaken.

S.No.	Criteria	Documentary Evidence
1	The Bidder must be a company registered in India under Indian Companies Act 1956 or Partnership Act 1932, and must be in existence for at least 5 years as on 31st March 2011	<ol style="list-style-type: none"> 1. Certificate of Incorporation from Registrar of Companies (RoC) 2. Certificate of Commencement of Business issued by the Registrar of Companies
2	The Bidder should have a net worth of at least Rs. 20 Crores as of 31st March 2011.	<ol style="list-style-type: none"> 1. Audited financial statement (reflecting net-worth of business) for the latest financial year OR 2. Auditors' certificate on the net-worth as mentioned by the bidder.
3	The Bidder should be a profit making organization and have had a minimum annual turnover of Rs. 200 Crores in each of the last 3 financial years (FY, 2008-2009, 2009-2010, 2010-11), as on 31 st March of each of the mentioned years.	<ol style="list-style-type: none"> 1. Audited financial statements (reflecting overall turnover) for the last three (3) financial years OR 2. Auditors' certificate on the turnover as mentioned by the bidder
4	The bidder should have had an average turnover of Rs. 10 crores in each of the preceding three financial years in IT consultancy in India or the average global revenue of the firm should be more than USD 30 million, from IT consultancy, in each of the last three financial years.	<ol style="list-style-type: none"> 1. Audited financial statements (reflecting overall turnover) for the last three (3) financial years OR 2. Auditors' certificate on the turnover as mentioned by the bidder 3. In case of global revenues, Financial Statements from organization's website can be shown as evidence.

S.No.	Criteria	Documentary Evidence
5	The bidder should have completed at least two IT application audit engagements of worth more than 25 lacs involving either functional review, or controls review, or IT infrastructure review, or security review in the last 3 financial years.	<ol style="list-style-type: none"> 1. Work Order from the client. 2. Project Completion Certificate.
6	The bidder should have an office in Bangalore.	<ol style="list-style-type: none"> 1. Sales tax number 2. Undertaking from the company secretary or the Authorised signatory for office in Bangalore and manpower.
7	The bidder should not be blacklisted by any Central / State Government departments, organisations, agencies, or Public Sector Units for unsatisfactory past performance, corrupt, fraudulent or any other unethical business practices in the last 5 years (as on March 31, 2011)	<ol style="list-style-type: none"> 1. Undertaking from the company secretary or the Authorised signatory.
8	The bidder should be empanelled with CERT-In as an organization performing Information Security Audit.	<ol style="list-style-type: none"> 1. Screenshot of the listing, from CERT-In Website.

Table 4: Eligibility Criteria

4.19 Technical Bid

1. The technical proposal should address all the areas/ sections as specified in the Technical Evaluation Criteria (as given in the RFP) and contain a detailed description of how the bidder will fulfil the scope of work outlined in this RFP.
2. The technical proposal must not contain any pricing information. In submitting additional information, please mark it as “supplementary” to the required response.
3. The technical proposal should at a minimum address the following, as per the formats provided in the Annexure of the RFP
 - i. Bid Submission Letter - Format 1
 - ii. General Information about the Bidder – Format 2
 - iii. Filled up Pre-qualification Criteria compliance Sheet- Format 3
 - iv. Declaration of Acceptance of Terms & Conditions in RFP – Format 4
 - v. Technical Bid Submission letter- Format 5
 - vi. Forms for Technical Response - Format 6 which contain as sub forms the following:
 - vii. Technical Evaluation Form 1.1, 2.1, 3.1, 4.1
4. Technical forms are to evidence, Details of Prior Experience of the bidder, Approach & Methodology, & Profiles of Key Personnel proposed for the project. The format for this mainly condenses:
 - a. A specific description of the prior experience and expertise of the resources in the organisation.
 - b. Resumes of key resources responsible for the management of this project, highlighting pertinent experience.
 - c. Resumes of bidder personnel who would be directly assigned to provide services pertaining to this contract and the specific function each individual would perform;
 - d. Statement of Deviations from Requirements, if any: Technical Format 7.
 - e. Request for clarification – Format 8.
 - f. Format of Performance Bank Guarantee from a Nationalised Bank – Format 9.

4.21 Bid Opening and Evaluation Process

1. A Tender Scrutiny Committee as per the provisions of the KTPP Act 1999 and Rules 2000 will be constituted by the Tender Accepting Authority for evaluation of the bids. The decision of the Tender Accepting Authority would be final and binding upon all the Bidders.
2. Bids will be opened by the Tender Inviting Authority on the e-procurement portal on the date notified for it. Any change to the scheduled dates shall be notified on the e-procurement portal.
3. During bid opening preliminary scrutiny of the bid documents will be made to determine whether they are complete, whether required bid security has been furnished, whether the documents have been properly signed, and whether the bids are generally in order. Bids not conforming to such preliminary requirements will be prima facie rejected.
4. Project Director Khajane II may waive any slip-up or non-conformity or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder. Bids not accompanied with the requisite Bid Security or whose Bid Security is not in order shall be rejected.
5. A two-stage process, as explained below, will be adopted for evaluating the bids submitted by the specified date and time.

4.22 Evaluation of Technical Bid

1. The responses given by TPA will be specifically evaluated with respect to: Experience, Methodology, Project Team and Work Plan.
2. The criteria for technical evaluation of the bids is given in the table below –

Criteria, Sub-criteria, and Point System for the Evaluation of Technical Proposals

No	Parameter	Description of criteria / response from bidder	Max. Score
1	Bidder's Capability. Citations should be evidenced with either a Work Order or a Project Completion Certificate issued in the name of the bidder.		25
	Experience	<p>a. Experience of the bidder in performing either security or infrastructure or functional audit of enterprise level turnkey IT projects involving software development / ERP deployment and hardware deployment. (2.5 marks for each project showcased with a maximum cap of 4 projects).</p> <p>b. Experience of the bidder in performing SLA compliance audit of enterprise level turnkey IT projects involving software development / ERP deployment and hardware deployment (2.5 marks for each project showcased with a maximum cap of 4 projects).</p> <p>c. Experience in Government and Public Sector (5).</p> <p>Here it should be noted that the bidder should showcase the size of the projects audited in terms of its complexity and financial size. Bidders would be graded on the basis of this information and the projects cited here should have been audited after 31st July 2008. Additional marks would be provided for those projects which involved integration between heterogeneous application software.</p>	25

An enterprise level turnkey IT project should have been implemented for enterprises (including PSU, Banks, Government Corporations or Government Boards) having a turnover of more than INR 300 Crores in the last 3 financial years, exhibited through publicly available audited statements of the organization. Such an IT project should have been deployed across the entire organization and should be in use as of 31st July 2011.

In case of Government Departments, an enterprise level turnkey IT project would be projects, involving engagement of a single, or a consortium of System Integrators involving Software Development, Hardware Procurement and Deployment, and having a user base of more than 500 users and should be in use as of 31st July 2011.

2	Adequacy of proposed work plan and methodology		25
2.1	Plan for Acceptance testing and Audit	Plan of work proposed for carrying out Acceptance testing and Audit in order to test and verify the Implementation Partner's readiness (as per the Brief Description of Assignment and as per the terms and conditions explained in the Terms of Reference Section) to roll-out Khajane II Application. As per the proposed plan of work, testing and audit activity has to happen in parallel with the implementation activity. Hence, the Audit Agency has to synchronize its activities with that of the SI and submit its final report without any undue delay. The manner in which the testing and audit activities will be handled in co-ordination with the implementation activity will especially be evaluated in the plan of work The most adequate response will be provided maximum marks (7 marks).	7
2.2	Methodology for testing and	The methodology for testing and audit will be evaluated as below:	7

	auditing	<ul style="list-style-type: none"> a. Correctness in understanding the scope of work and in the assumptions made (2 point) b. Procedures that would be followed for assuring the quality of deliverables submitted by the Audit Agency (2 point) c. Unique value proposition offered by the Audit Agency (2 point) d. International best practices that would be followed (1 point) 	
2.3	Plan of work and methodology for security audit	<ul style="list-style-type: none"> a. Adoption of standard based approaches for conducting security audit (3 points) b. An efficient and effective approach suggested for avoiding the occurrence of security breaches, addressing security related queries and responding to security breaches (1 point) c. Methodology proposed for transfer of knowledge about testing and audit related concepts to select members of the department (1 point) 	5
2.4	Tools and technologies proposed by the bidder for performing the Khajane II audit and achieving objectives listed in this RFP.	<ul style="list-style-type: none"> a. Tools proposed by the bidder for performing Security Audit, including penetrative audit. (2 mark) b. Tools proposed by the bidder for performing performance audit. (2 mark) c. Tools proposed by the bidder for performing Controls Review 	6

		<p>and Functional Review. (2 mark)</p> <p>The bidders should demonstrate the capability of such tools in achieving the objectives of this RFP and shall ensure that these are used during the audit stage, if the bidder is shortlisted.</p>	
3	<p>Qualifications and competence of the key professional staff (in case of independent consultant; resumes from the consultant can be produced under this category)</p> <p>Here it should be noted that weightage would be given to those candidates, who are on the rolls of the bidder in comparison to the resumes of hired individual consultants specifically for this project. Also capability of resources would be graded on the basis of their relevant experiences.</p>		50
3.1	Project Manager	<p>Professional Experience</p> <ol style="list-style-type: none"> 1. Minimum of 10 years of overall work experience in the field of Information & Technology with at least 3 years in the field of audit of IT projects. 2. The project manager should be on the rolls of the Prime Bidder for the past 1 year. <p>Academic Qualifications</p> <p>BE / BTECH / MCA / Post Graduate with specialization in Computer science/IT. Bidders will be graded on the basis of their qualifications. In case of resources with BE / BTECH qualification those who have done their courses with computer science would</p>	10

		<p>be given additional marks within the maximum.</p> <p>Relevant Citations</p> <p>Three projects involving audit of an IT project out of which atleast one project should have been audited in the past 12 months. Projects cited here should include audit of Application Software, and Database.</p> <p>Additional Qualifications</p> <ol style="list-style-type: none"> 1. Candidates having Certified Information Systems Auditor (CISA) / Certified Information Security Manager (CISM) / ISO 9000 will be given additional marks within the maximum. 2. Experience of auditing IT projects of large financial institutions, such as Banks or FIIs having annual turnover of more than INR 1000 Crores in the last financial year. 	
	<p>Concurrent & Process Auditor</p>	<p>Professional Experience</p> <p>Minimum of 5 years of overall work experience in the field of Information & Technology with at least 2 years in the field of audit of IT projects. The candidates proposed should have strong knowledge of SDLC and various models of Software Development including waterfall, prototyping, agile, etc.</p> <p>Academic Qualifications</p>	<p>8</p>

		<p>BE / BTECH / MCA / Post Graduate with specialization in Computer science/IT. Bidders will be graded on the basis of their qualifications. In case of resources with BE / BTECH qualification those who have done their courses with computer science would be given additional marks within the maximum.</p> <p>Relevant Citations</p> <p>One IT project where the proposed candidate would have worked as System Analyst in the past two years.</p> <p>Additional Qualifications</p> <p>Experience in performing process audit of IT projects would be beneficial.</p>	
	<p>IT Infrastructure Auditor</p>	<p>Professional Experience</p> <p>Minimum of 5 years of overall work experience in the field of Information & Technology with at least 2 years in the field of IT Infrastructure audit in the field for which he or she is being proposed for the current assignment.</p> <p>Academic Qualifications</p> <p>BE / BTECH / MCA / Post Graduate with specialization in Computer science/IT. Bidders will be graded on the basis of their qualifications. In case of resources with BE / BTECH qualification those who have done their courses with computer science would</p>	<p>8</p>

		<p>be given additional marks within the maximum.</p> <p>Relevant Citations</p> <ol style="list-style-type: none"> 1. One IT project as System Administrator or Network Administrator, depending upon the task assigned to the candidate. 2. One IT project where the proposed candidate would have audited ICT Infrastructure for either size or security in the past two years and in the field for which he or she is being proposed for the current assignment. <p>Additional Qualifications</p> <p>OEM certifications from the following would be given additional weightage –</p> <ol style="list-style-type: none"> 1. Servers / Storage – IBM 2. Network / Firewall – HP 3. Load Balancers – Array Networks 4. Operating Systems – RHEL / Microsoft 	
	<p>Application & Database Auditor</p>	<p>Professional Experience</p> <p>Minimum of 5 years of overall work experience in the field of Information & Technology with at least 2 years in the field of audit</p>	<p>8</p>

		<p>of either database or application of a large sized transaction based application software. *</p> <p>Academic Qualifications</p> <p>BE / BTECH / MCA / Post Graduate with specialization in Computer science/IT. Bidders will be graded on the basis of their qualifications. In case of resources with BE / BTECH qualification those who have done their courses with computer science would be given additional marks within the maximum.</p> <p>Relevant Citations</p> <ol style="list-style-type: none">1. One IT project as Application or Database auditor in the last 2 years. The work should have involved code walkthrough or best practices review.2. One IT project as Team Lead within the Software Development team. <p>Additional Qualifications</p> <p>OEM certifications from the following would be given additional weightage –</p> <ol style="list-style-type: none">1. RDBMS – IBM2. Applications – SUN / Oracle	
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	<p>Functional Auditor</p>	<p>Professional Experience</p> <p>Minimum of 10 years of overall work experience with at least 5 years in the field of Information & Technology. The candidate should have experience of at least 2 years of working with any reputed financial institution.</p> <p>Academic Qualifications</p> <p>CA / ICWA / MBA / Post Graduate Qualification with specialization in Finance & Accounting. Bidders will be graded on the basis of their qualifications.</p> <p>Relevant Citations</p> <p>One IT project as business analyst or domain expert or SME in the last 2 years.</p> <p>Additional Qualifications</p> <p>One IT project, involving Finance and Accounting as the core module, in the capacity of Functional Auditor.</p> <p>Experience of performing functional audit of IT projects of large financial institutions, such as Banks or FIIs having annual turnover of more than INR 1000 Crores in the last financial year.</p>	<p>6</p>
	<p>IT Security Expert</p>	<p>Professional Experience</p>	<p>10</p>

		<p>Minimum of 10 years of overall work experience in the field of Information & Technology with at least 3 years in the field of security audit of IT projects.</p> <p>Academic Qualifications</p> <ol style="list-style-type: none">1. BE / BTECH / MCA / Post Graduate with specialization in Computer science/IT. Bidders will be graded on the basis of their qualifications. In case of resources with BE / BTECH qualification those who have done their courses with computer science would be given additional marks within the maximum.2. Candidates having Certified Information Security Manager (CISM) or ISO 27001 or Certified Information Systems Security Professional certifications. <p>Relevant Citations</p> <p>Three projects involving security audit of an IT project out of which atleast one project should have been audited in the past 12 months. Projects cited here should include audit of Application Software, and Database.</p> <p>Additional Qualifications</p> <p>Experience of performing security audit of IT projects of large financial institutions, such as Banks or FIIs having annual turnover of more than INR 1000 Crores in the last financial year.</p>	
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Note:

* large sized transaction based systems will mean the system software developed or deployed should have a named user base of more than 1000 or wherein more than 2000 unique transactions are performed per day within the system.

3. Bidders are expected to provide relevant documentation as proof of experience with respect to the criteria mentioned above. Project Director Khajane II will not be held responsible if any bidder is disqualified due to lack of relevant documents.
4. Bidders are required to give a technical presentation in the Department along with their write up for the subjects mentioned in Technical evaluation forms 2.1 and 4.1. The focus of the technical presentation will be the understanding of the assignment by the consultant and the methodology the consultant intends to use for executing the assignment.
5. For calculating the technical score (TS) the individual scores, as per respective weightages, for each of the three items mentioned in the evaluation criteria above, will be summed up. In order to qualify technically, a bid must secure a minimum of 75 after summing up. Only those proposals which meet both the criteria will be considered for further evaluation. The technical scores from the Technical Evaluation will be used for the final evaluation. The bid getting the highest score will be designated T1.

4.23 Evaluation of Commercial Bid

1. In the commercial bid, which shall be submitted in the e-procurement portal, the bidder shall provide a single quotation for the all-inclusive fee (including OPEs) to be charged for the assignment in the prescribed format. No extra out of pocket expenses will be reimbursed except for travelling required for visits to locations outside Bangalore.
2. Only technically qualified bids would be considered for commercial bid evaluation and only their commercial bids would be opened.
3. The bidder with lowest total project cost (PC) designated as (L1) will be awarded a score of 100.
4. Commercial Scores for other technically qualified bidders will be evaluated using the following formula - Commercial Score of Bidder (CS) = (PC of L1/PC of the Bidder) X 100 % (rounded off to 2 decimal places)

4.24 The final evaluation of the proposal

1. A composite score shall be calculated for technically qualified bids only. The weightage for the composite evaluation is as described below:
 - i. Technical – 65%
 - ii. Commercial – 35%

2. The Bidder with the highest final composite score (Final Score = $TS*0.65+CS*0.35$) will be called for negotiating the contract. In case of a tie in the final composite score the bidder with the higher Technical Score will be first invited for negotiations.

4.25 Negotiations, Contract Finalisation and Award

1. Project Director Khajane II reserves the right to negotiate with the technically qualified bidder whose proposal has been determined to be the lowest cost given by the committee.
2. A contract will be awarded to the responsible and responsive bidder whose proposal conforms to the RFP and in the opinion of Project Director Khajane II represents the best value to department. Project Director Khajane II reserves the right to enter into relationships with more than one bidder; can choose not to proceed with any bidder with respect to one or more categories of services/requirements outlined in this RFP; and can choose to suspend the project or to issue a new RFP for this project that would supersede and replace this one.

4.26 Award Criteria

1. Project Director Khajane II will award the Contract to the successful bidder whose proposal has been determined to be substantially responsive and has been determined as the best value proposal.
2. In case the bidder, selected through this tendering process as the successful bidder, remains non-responsive to the communication from the Project Director – Khajane II and fails to sign the contract within 15 days of being officially intimated about its selection. Then the Project Director – Khajane II reserves the rights to award the contract to the next best bidder having the second highest marks as per the evaluation criteria.
3. In case the successful bidder to whom the Project Director Khajane II has notified in writing fails to sign the contract within the stipulated time or within any extended period to be agreed to in writing by the Project Director Khajane II to the successful bidder, the EMD of the bidder shall be forfeited. The Project Director also reserves the right to blacklist the bidder from participating in any/all tenders of the Government of Karnataka for a period of five years.

4.27 Project Director's right to accept or reject proposals

1. Project Director Khajane II reserves the right to accept or reject any proposal, and to annul the bidding process and reject all proposals at any time prior to award of

contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for department's action.

4.28 Notification of Award

1. Prior to the expiration of the period of bid validity, the Project Director Khajane II will notify the successful Bidder by e-mail or in writing, by registered letter that its bid has been accepted.
2. The notification of award will lead to the signing of the Contract.
3. Upon the successful Bidder's furnishing of performance bank guarantee and the signing of the contract Project Director Khajane II will promptly notify each unsuccessful Bidder and will discharge its bid security.

4.29 Signing of Contract

1. At the same time as the Project Director Khajane II notifies the successful Bidder that its bid has been accepted, the Project Director Khajane II will send the Bidder the Contract Form, incorporating all agreements between the parties.
2. Within 15 days of receipt of the Contract Form, the successful Bidder shall sign and date the Contract and return it to the Project Director Khajane II.

4.30 Performance Bank Guarantee

1. Within 10 days of signing of the contract, the successful Bidder shall furnish the performance bank guarantee in accordance with the Conditions of Contract, in the Performance Guarantee Bond prescribed in the RFP.
2. This Performance Bank Guarantee will be for an amount of 10% of the contract value for the TPA, valid for the entire term of contract, which shall be submitted by the successful bidder upon signing the contract.
3. All incidental charges whatsoever such as premium; commission etc. with respect to the performance bank guarantee shall be borne by the bidder.
4. The performance bank guarantee shall be valid till one year post completion of the contract period. Subject to the terms and conditions in the performance bank guarantee, at the end of the validity period, the performance bank guarantee will lapse automatically.
5. The performance bank guarantee may be discharged/ returned after the above mentioned period by the Project Director Khajane II upon being satisfied that there has been due performance of the obligations of the bidder under the

contract. However, no interest shall be payable on the performance bank guarantee.

6. In the event of the bidder's inability to service the contract for whatever reason, Project Director Khajane II shall invoke the PBG and may also take steps to blacklist the company from performing similar work for the Government of Karnataka for a period of five years.. Notwithstanding and without prejudice to any rights whatsoever of Project Director Khajane II under the contract in the matter, the proceeds of the PBG shall be payable to Project Director Khajane II as compensation for any loss resulting from the bidder's failure to perform/ comply with its obligations under the contract including delays to the Khajane II project solely attributable to the TPA.
7. Project Director Khajane II shall notify the bidder in writing of the exercise of its right to receive such compensation indicating the contractual obligation(s) for which the bidder is in default and the bidder will have to pay it within 14 days of the notice date. The Department's decision in this respect will be final.
8. Project Director Khajane II shall also be entitled to make recoveries from the bidder's bills, performance bank guarantee, or from any other amount due to him, an equivalent value of any payment made to him due to inadvertence, error, collusion, misconstruction or misstatement.
9. In case the project is delayed beyond the project schedule as mentioned in this RFP, for reasons attributable to the TPA, the performance bank guarantee shall be accordingly extended by the TPA for the duration equivalent to the delays caused in the project.

5 Bid Formats

5.1 Format 1 – Bid Submission Letter

To,

Project Director – Khajane II,
Podium Block, Ground Floor, V.V. Towers,
Dr. Ambedkar Veedhi,
Bangalore 560001

Madam / Sir,

Subject: Selection of Third Party Agency for Concurrent Audit of Development and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II

Reference: Tender No: <TENDER REFERENCE NUMBER> Dated <DD/MM/YYYY>

We, the undersigned Bidders, having read and examined in detail all the Tender documents do hereby propose to provide the services as specified in the Tender document number <TENDER REFERENCE NUMBER> Dated <DD/MM/YYYY> along with the following:

a. EARNEST MONEY DEPOSIT (EMD)

We have paid an EMD of Rs 50,000/- (Rupees Fifty thousand only) through the portal (<http://eproc.karnataka.gov.in>). This EMD is liable to be forfeited in accordance with the provisions specified in this RFP.

b. CONTRACT PERFORMANCE GUARANTEE BOND

We hereby declare that in case the contract is awarded to us, we shall submit the contract performance guarantee bond in the form prescribed in the RFP.

We hereby declare that our bid is made in good faith, without collusion or fraud and the information contained in the bid is true and correct to the best of our knowledge and belief.

We understand that our bid is binding on us and that you are not bound to accept any proposal you receive.

Thanking you,
Yours faithfully,

(Signature of the Bidder)

Printed Name

Designation

Seal

Date:

Business Address:

5.2 Format 2 - General Information about the Bidder

Details of the Bidder (Company)				
1.	Name of the bidder			
2.	Address of the Bidder			
3.	Status of the Company (Public Ltd/ Pvt. Ltd)			
4.	Details of Incorporation of the Company	Date:		
		Ref. #		
5.	Details of Commencement of Business	Date:		
		Ref. #		
6.	Valid Sales tax registration no.			
7.	Valid Service tax registration no.			
8.	Permanent Account Number (PAN)			
9.	Name & Designation of the contact person to whom all references shall be made regarding this tender			
10.	Telephone No. (with STD Code)			
11.	E-Mail of the contact person:			
12.	Fax No. (with STD Code)			
13.	Website			
14.	Financial Details (as per audited Balance Sheets) (in Cr)			
15.	Year	2008-2009	2009-2010	2010-2011
16.	Net Worth			
17.	Turn Over			
18.	PAT			
19.	Turnover from IT consultancy			

5.3 Format 3 - Filled up Pre- Qualification criteria Compliance Sheet

S. No.	Criteria	Format
1	The Bidder must be a company registered in India under Indian Companies Act 1956 or Partnership Act 1932, and must be in existence for at least 5 years as on 31st March 2011	Format 2 - General Information about the Bidder
2	The Bidder should have a net worth of at least Rs. 20 Crores as of 31st March 2011.	
3	The Bidder should be a profit making organization and have had a minimum annual turnover of Rs. 200 Crores in each of the last 3 financial years (FY, 2008-2009, 2009-2010, 2010-11) as on 31 st March of each of the mentioned years.	
4	The bidder should have had an average turnover of Rs. 10 crores in each of the preceding three financial years in IT consultancy in India or the average global revenue of the firm should be more than USD 30 million, from IT consultancy, in each of the last three financial years.	
5	The bidder should have completed at least two IT application audit engagements of worth more than 25 lacs	

S. No.	Criteria	Format
	involving either functional review, or controls review, or IT infrastructure review, or security review in the last 3 financial years.	
6	The bidder should have an office in Bangalore.	Format 2 - General Information about the Bidder
7	The bidder should not be blacklisted by any Central / State Government departments, organisations, agencies, or Public Sector Units for unsatisfactory past performance, corrupt, fraudulent or any other unethical business practices in the last 5 years (as on March 31, 2011)	5.3.1 Format for undertaking on blacklisting
8	The bidder should be empanelled with CERT-In as an organization performing Information Security Audit.	Website Screenshot

5.3.1 Format for undertaking on blacklisting

Undertaking for Black Listing and Banning
((on non-judicial stamp paper worth Rs. 50/-)

(A.) We..... (Name of firm) do hereby undertake that our company/firm has not been blacklisted/banned by any Govt. (Government of India/State Govt.) & their subordinate Departments for submission of tenders.

Signature of Authorized Signatory:

Place:

Name of Signatory:

Date:

Designation with seal:

- (B.) We..... (Name of firm) do hereby undertake that our company/firm has been blacklisted/banned by..... (Name of Govt. / Dept.) & required information as below :
- (i.) Cause of black listing/banning:
 - (ii.) For which item.....
 - (iii.) Period of black listing/banning:
 - (iv.) Latest Status of black listing/banning:

Signature of Authorized Signatory:

Place:

Name of Signatory:

Date:

Designation with seal:

5.4 Format 4 – Declaration of Acceptance of Terms and Conditions in RFP

To,

Project Director – Khajane II,
Podium Block, Ground Floor, V.V. Towers,
Dr. Ambedkar Veedhi,

Bangalore 560001

Subject: Selection of Third Party Agency for Concurrent Audit of Development and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II

Reference: Tender No: <TENDER REFERENCE NUMBER> Dated <DD/MM/YYYY>

Madam / Sir,

I have carefully gone through the Terms & Conditions contained in the RFP document [No.] regarding Selection of Third Party Agency for Concurrent Audit of Development and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II.

I declare that all the provisions of this RFP/Tender Document are acceptable to my company/me. I further certify that I am an authorized signatory of my company and am, therefore, competent to make this declaration.

Yours faithfully,

(Signature of the Bidder)

Printed Name

Designation

Seal

Date:

Business Address:

5.5 Format 5 – Technical Bid Submission Letter

To,

Project Director – Khajane II,
Podium Block, Ground Floor, V.V. Towers,
Dr. Ambedkar Veedhi,
Bangalore 560001

Subject: Selection of Third Party Agency for Concurrent Audit of Development and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II

Reference: Tender No: <TENDER REFERENCE NUMBER> Dated <DD/MM/YYYY>

Madam / Sir,

We, the undersigned Bidders, having read and examined in detail all the bid documents in respect of Third Party Agency for Concurrent Audit of Development and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II, do hereby propose to provide our services as specified in the Tender.

1. Technical Response

We confirm having submitted the information as required by you in your Request for Proposal document. This is enclosed in Section -- to Section -- of our technical bid. In case you require any other further information/documentary proof in this regard for evaluation of our bid, we agree to furnish the same in time to your satisfaction.

2. Bid Security

We have paid an EMD of Rs. -----/- (Rupees ----- only) through the portal (<http://eproc.karnataka.gov.in>). This EMD is liable to be forfeited in accordance with the provisions of this RFP

3. Deviations

We declare that all the services shall be performed strictly in accordance with the bid documents except for the variations and deviations which are accepted by the Project Director Khajane - II, all of which have been detailed out exhaustively in the Statement

of Deviations from Schedule of Technical Requirements, irrespective of whatever has been stated to the contrary anywhere else in our bid.

Further we agree that additional conditions, if any, found in the bid documents, other than those stated in deviation schedule and accepted by the Project Director Khajane II, will not be given effect to.

4. Performance Bank Guarantee

We hereby declare that in case the contract is awarded to us, we shall submit the contract performance bank guarantee in the form prescribed in the RFP.

5. Validity of this Bid

We agree to abide by this tender response for a period of 180 days from the date of submission of the bid and it shall remain binding upon us with full force and virtue, until within this period a formal binding contract is prepared and executed between us and the Project Director Khajane II.

On the acceptance of our proposal we undertake to adhere to the implementation plan for the Proposed Audit of the Khajane II IT system put forward in the RFP or such adjusted plan as may subsequently be mutually agreed between us and Project Director Khajane II or its appointed representatives.

We hereby declare that our bid is made in good faith, without collusion or fraud and the information contained in the bid is true and correct to the best of our knowledge and belief.

If negotiations are proposed, we undertake to negotiate on the proposed staff and rates quoted by us.

We understand that our bid is binding on us and that you are not bound to accept any Bid you receive.

It is hereby confirmed that I/We are entitled to act on behalf of our company/ corporation/ firm/ organization and empowered to sign this document as well as such other documents, which may be required in this connection.

Thanking you,

Yours faithfully

(Signature of the Authorized signatory)

Name :

Designation :

Seal :

Date :

Place :

Business Address:

5.6 Format 6 – Forms for Technical Response

5.6.1 Technical Evaluation Form 1.1 (Criteria 1)

Assignment Name:		Country:	
Location within Country:		Key professional staff provided by your Firm/entity(profiles):	
Name of Project Director Khajane II :		No. of Staff:	
Address:		No. of Staff-Months; duration of assignment:	
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (Rs. Lakhs):	
Name of Associated TPA, if any:		No. of Months of Key professional staff, provided by Associated TPA:	
Name of Senior Staff (Project Director/Coordinator, Team Leader) involved and functions performed:			
Narrative Description of Project:			
Description of Actual Services Provided by Your Staff:			
Please attach the following for each reference			
<ul style="list-style-type: none"> ▪ Purchase Order clearly stating the scope of audit ▪ Letter of Successful completion or letter of on-going status, whichever is applicable from the Project Director Khajane II. 			

5.6.2 Technical Evaluation Form 2.1 (Criteria 2.1 to 2.4)

No.	Work Plan and Methodology
1	Plan of work proposed for carrying out Acceptance testing and Audit in order to test and certify the Implementation Partner's readiness (as per the Brief Description of Assignment provided in this RFP and as per the terms and conditions explained in the Terms of Reference Section) to roll-out the KHAJANE II Application. As per the proposed plan of work, testing and audit activity has to happen in parallel with the implementation activity. Hence, the Audit Agency has

	<p>to synchronize its activities with that of the SI and submit its final report without any undue delay. The manner in which the testing and audit activities will be handled in co-ordination with the implementation activity will especially be evaluated in the plan of work.</p> <p>The bidder should provide the work plan (timelines, deliverables) for Software development audit and the Final Audit separately.</p>
2	<p>Methodology for testing and audit:</p> <ol style="list-style-type: none"> a. Provide the auditor’s understanding of the scope of work and list down assumptions made; b. Detail the procedures that would be followed for assuring the quality of deliverables submitted by the Audit Agency; c. Illustrate the bidder’s quality of experience in selection, customization and deployment of application testing tools; d. Illustrate the unique value proposition offered by the Audit Agency; e. Provide details of International Best Practices that would be followed.
3	<p>Plan of work and methodology for Security Audit:</p> <ol style="list-style-type: none"> a. Describe in detail, the approach followed for conducting Security Audit, with specific emphasis on standard based approaches. b. Describe the approach to be followed to prevent occurrence of security breaches, addressing security related queries and responding to security breaches.
4.	<p>Tools and technologies proposed by the bidder for performing the Khajane II audit and achieving objectives listed in this RFP.</p>

5.6.3 Technical Evaluation Form 3.1 (Criteria 3.1)

- i. Bidder is required to provide the team composition; roles and responsibilities of proposed professionals and reporting relationships with

respect to this project and also provide a statement (preferably tabulated) in the format provided in 5.7 explaining as to how the proposed professional staff will satisfy mentioned evaluation criteria.

- ii. CVs of all resources proposed MUST be provided in the format given below. Any CVs provided in different formats or with missing information will not be considered for evaluation.
- iii. The Tender Scrutiny Committee may, at its discretion, request the bidder to provide additional details with respect to any or all of the personnel proposed, if found pertinent to the evaluation process.

Resume Format:

Resume of key personal				
1.	Name			
2.	Proposed Position / Role			
3.	Date of birth			
4.	Years with Firm (if applicable)			
5.	Nationality			
6.	Education			
	Degree (Specialisation)	Institution	Year in which obtained	
7.	Other Professional certification or training			
8.	Languages & degree of proficiency			
9.	Work experience in projects of Department of Treasuries or any Financial Institution			
10.	Employment record (Starting with present position, list in reversed order every employment held for the last ten years and state the start and end dates of each employment) (Clearly distinguish your "employer" as an employee of the firm from a client for whom you have worked as a consultant or an adviser)			
	Employer	From	To	Position held and Description of duties

11.	Detailed tasks handled (Domestic and International) (Work undertaken that best illustrates capability to handle the work and tasks assigned in this RFP)				
	Work Area	Tasks Handled	Project Details	Position Assigned	Start Year & Time spent
		(Exact duties rendered)	(Project name Organisation Location)	(Project Manager / Team Leader/ Team Member / Expert)	
12.	Certifications				
	I, the undersigned certify that:				
	(i) to the best of my knowledge and belief, this bio data correctly describes me, my qualifications, and my experience.			Yes	No
	I understand that any wilful misstatement made herein may lead to my disqualification or dismissal, if engaged.				
	Name & Signature (Personnel)		Name & Signature (Authorised Representative)		
			Date of signing		

5.6.4 Technical Evaluation Form 4.1

List of Resumes proposed for the Project*

Sl.No.	Title	Names	Job description	Staff month

Note:*The names listed out here shall be from the resumes submitted for the bid proposal.

5.7 Format 7: Statement of Deviations from Technical Requirements

Dear Sir,

Following are the Technical deviations and variations from the requirements and documents for the Appointment of Third Party Audit Agency for Khajane II; An Integrated Financial Management System against Tender.....

These deviations and variations are exhaustive. Except for these deviations and variations, the entire work shall be performed as per your requirements and documents as specified in the RFP and requirement after mutual discussions.

Sl. No.	Section No.	Clause No.	Page No.	Statement of deviations and variations.	Remarks

5.8 Format 8: Request for clarification format

Clarifications Requested:

RFP Vol No.	Page	Section	Section Title	RFP Reference	Clarification Requested

Clarification Requested by:

Name	
Designation	
Company	
Signature	
Date	

5.9 Format 9: Format of Performance Bank Guarantee from a Nationalised Bank

FOR PERFORMANCE GUARANTEE

Ref.No. _____ Bank Guarantee No _____

Dated _____

To,

Project Director – Khajane II,
Podium Block, Ground Floor, V.V. Towers,
Dr. Ambedkar Veedhi,
Bangalore 560001

1. Against contract vide Acceptance of the Tender covering "Tender for " (hereinafter called the said 'contract') entered into between the Project Director Khajane II, Government of Karnataka, (hereinafter called the Purchaser) and _____ (hereinafter called the Bidder) this is to certify that at the request of the Bidder we _____ Bank Ltd., are holding in trust in favour of the Purchaser, the amount of _____ (write the sum here in words) to indemnify and keep indemnified the Purchaser against any loss or damage that may be caused to or suffered by the Purchaser by reason of any breach by the Bidder of any of the terms and conditions of the said contract and/or in the performance thereof. We agree that the decision of the Purchaser, whether any breach of any of the terms and conditions of the said contract and/or in the performance thereof has been committed by the Bidder and the amount of loss or damage that has been caused or suffered by the Purchaser shall be final and binding on us and the amount of the said loss or damage shall be paid by us forthwith on demand and without demur to the Purchaser.
2. We _____ Bank Ltd, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for satisfactory performance and fulfilment in all respects of the said contract by the Bidder i.e. till _____ hereinafter called the said date and that if any claim accrues or arises against us _____ Bank Ltd, by virtue of this guarantee before the said date, the same shall be enforceable against us _____ Bank Ltd, notwithstanding the fact that the same is enforced within six months after the said date, provided that notice of any such claim has been given to us _____ Bank Ltd, by the Purchaser before the said date. Payment under this letter of guarantee shall be made promptly upon our receipt of notice to that effect from the Purchaser.
3. It is fully understood that this guarantee is effective from the date of the said contract and that we _____ Bank Ltd, undertake not to revoke this guarantee during its currency without the consent in writing of the Purchaser.
4. We undertake to pay to the Purchaser any money so demanded notwithstanding any dispute or disputes raised by the Bidder in any suit or proceeding pending before any court or Tribunal relating thereto our liability under this present bond being absolute and unequivocal.

5. The payment so made by us under this bond shall be a valid discharge of our liability for payment there under and the Bidder shall have no claim against us for making such payment.
6. We _____ Bank Ltd, further agree that the Purchaser shall have the fullest liberty, without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the Bidder from time to time or to postpone for any time or from time to time any of the powers exercisable by the Purchaser against the said Bidder and to forebear or enforce any of the terms and conditions relating to the said contract and we, _____ Bank Ltd., shall not be released from our liability under this guarantee by reason of any such variation or extension being granted to the said Bidder or for any forbearance by the Purchaser to the said Bidder or for any forbearance and or omission on the part of the Purchaser or any other matter or thing whatsoever, which under the law relating to sureties, would, but for this provision have the effect of so releasing us from our liability under this guarantee.
7. This guarantee will not be discharged due to the change in the constitution of the Bank or the Bidder.

WITNESS NO. 1

Authorised Bank Representative

(Signature)

(Signature)

Full name and official

Full name, designation and

Address (in legible letters)

address (in legible letters)

with Bank stamp

WITNESS NO. 2

Attorney as per power of

(Signature)

Attorney No.....

Full name and official

Dated.....

Address (in legible letters)

5.10 Format 10 – Commercial Bid Submission Letter

To,

Project Director – Khajane II,
Podium Block, Ground Floor, V.V. Towers,
Dr. Ambedkar Veedhi,
Bangalore 560001

Subject: Selection of Third Party Agency for Concurrent Audit of Development and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II - Commercial Bid

Reference: Tender No: <TENDER REFERENCE NUMBER> Dated <DD/MM/YYYY>

Sir,

We, the undersigned Bidders, having read and examined in detail all the bidding documents in respect of Selection of Third Party Agency for Concurrent Audit of Development and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II, do hereby propose to provide Services as specified in the bidding documents number _____.

1. Price and Validity

- 1.1 All the prices mentioned in our bid are in accordance with the terms as specified in the bidding documents. All the prices and other terms and conditions of this bid are valid for a period of 180 calendar days from the date of opening of the bids.
- 1.2 We are an Entity registered in India and do hereby confirm that our bid prices include all taxes including income tax and professional tax.
- 1.3 We have studied the Clause relating to Indian Income Tax and hereby declare that if any income tax, surcharge on Income Tax, Professional and any other corporate Tax is altered under the law, we shall pay the same.

2. Unit Rates

We have indicated in the relevant schedules enclosed, the unit rates for the purpose of on account of payment as well as for price adjustment in case of increase in volumes related to the Scope of Work under the contract.

3. Bid Pricing

We further confirm that the prices stated in our bid are in accordance with your Instruction to Bidders included in bidding documents.

4. Bid Price

We declare that our bid prices are for the entire scope of the work as specified in the Requirements specified in the bid documents.

5. Contract Performance Guarantee

We hereby declare that in case the contract is awarded to us, we shall submit the contract performance guarantee bond in the form as prescribed in the RFP.

6. We hereby declare that our bid is made in good faith, without collusion or fraud and the information contained in the bid is true and correct to the best of our knowledge and belief.

7. We understand that our bid is binding on us and that you are not bound to accept Bid you receive.

8. We confirm that no Technical deviations are attached here with this commercial offer

No.	Commercial quote component	Base Rate	Tax	Amount
A	Charges for software development concurrent audit (C1)	Rs.	Rs.	Rs.
B	Charges for Functional, Technical and Operational Compliance Audit of Khajane II IT System (C2)	Rs.	Rs.	Rs.
C	Charges for Performance and SLA compliance Audit of Khajane II IT system (C3)	Rs.	Rs.	Rs.
D	Charges for IT infrastructure and system software compliance Audit of the Khajane II IT system (C4)	Rs.	Rs.	Rs.
E	Charges for Security audit of the Khajane II IT system (C5)	Rs.	Rs.	Rs.
Sub Total		Rs.	Rs.	Rs.
Grand Total Commercial Quote by bidder (C) Rs.				
Grand Total Commercial Quote by bidder (in words): Rupees				

Thanking you,

Yours faithfully

(Signature of the authorised representative of the Bidder)

Name :

Designation :

Seal :

Date :

Place :

Business Address:

6 Annexures

6.1 SLA between Project Director Khajane II and TPA

Sl. No.	SLA Parameter	Baseline Metrics	Basis of Measurement	Penalty
SLA for Concurrent Audit during development stage				
1	Correctness of reports	Second Review	<ul style="list-style-type: none"> The audit report should test and present the level of adherence to all requirements sought, against the deliverable being audited, in the RFP as well as in the subsequent addendums made thereafter. The audit report should test and present the level of adherence to all commitments made, against the deliverables being audited, by the SI in its proposal or through the minutes of negotiation committee. 	<ul style="list-style-type: none"> For deliverables delivered during concurrent audit - 3% of the fees quoted for concurrent audit per deliverable. For deliverables delivered as part of final audit - 5% of the deliverable fees.
2	Initiation of audit process for each stage	1 week after formal serving of	As per formal communication letter issued by Project Director Khajane II	Delay of more than 1 week to the agreed timelines but within two weeks

Sl. No.	SLA Parameter	Baseline Metrics	Basis of Measurement	Penalty
		request		<p>3% quoted for concurrent audit per deliverable.</p> <p>Delay of more than two weeks but less than 1 month, 5% quoted for concurrent audit per deliverable</p> <p>For delay more than a month PD reserves the right to terminate the contract and forfeit the PBG.</p>
3	Completion of audit process for each stage	Delay beyond the timelines mentioned in Section 2.6 of this RFP *	As per Section 2.6 of this RFP	For each deliverable 5% of the deliverable fee.

Sl. No.	SLA Parameter	Baseline Metrics	Basis of Measurement	Penalty
4	Deployment of resources as per the qualification and experience of the profiles proposed	Full Adherence	Resumes submitted	15% of the payment associated with the deliverable for which the said resource works.

* Any delay beyond the timelines mentioned in Section 2.6 and not attributable to the TPA will not be considered for application and calculation of penalties. Further any changes to Section 2.6 would mean that the revised timelines or new milestones would be used as the basis of measurement of the SLAs.

Please note – The calculation of penalties will be limited by 25% of total payments applicable for the assignments specified under this RFP.

6.2 Khajane II Technology Stack

Hardware	
	Product
Application Server	IBM x3850 X5
Integration Server	IBM x3650 M3
Database Server	IBM x3850 X5
Directory Server	IBM x3650 M3
SMTP Server	IBM x3650 M3
Reporting Server	IBM x3650 M3
Tape Library	IBM TS3310 IBM
Firewall	HP S1000E
IPS	HP Tipping Point(HP S 2500N)
Content Filtering	HP E5406
Gateway security	Symantec
Enterprise Management	IBM x3630 M3
Anti-Virus Server	IBM x3650 M3
SAN Storage	IBM V7000
L3 Switch	HP A5120-24G
Rack / Chassis including KVM	APM/equivalent
Switch & cables Core Switch	HP A7510
FCOE Switches	HPA5820
UPS Systems	Power One make modular UPS, 35 KVA -with three hours Backup,
UPS Batteries	Tubular, Prime/Southern make or equivalent
Additional Servers (GIS, FTP, etc)	IBM x3250 M3, IBM x3650 M3, IBM x3850 M3
Software	
Database	IBM DB2 Work Group
Application	JBOSS Enterprise Edition
Web	IBM WEBSHERE PORTAL

Integration	JBOSS SOA
Directory	Novell eDirectory
Certificate	TCS Form Signer
SMTP	Novell Groupwise 8
Anti-Virus	Symantec end point protection
Endpoint Security	Symantec Gateway
Backup Software	IBM TIVOLI
Reporting	Jaspersoft
Clustering Solution	Redhat Clustering
Management	CA (spectrum, e health, Wily, SDM)
Helpdesk	CA SDM
SLA Monitoring	CA Willy
Operating Systems	RHEL 5
Intrusion Detection	Tipping Point
GIS Software	MAPINFO
Java Application Framework	Spring Framework 3.x, Hibernate, Struts 2 and SpringMVC

6.3 Khajane II Project Schedule

S. N	Milestone	Deliverables from SI	Timelines
1.	Contract sign-off.	<ul style="list-style-type: none"> PBG for 10 % of total contract value. 	Contract Sign-off (T)
2.	Submission of Project Plan document.	<ul style="list-style-type: none"> Detailed Project Plan/Inception report for Design, Development & Implementation of Khajane II. 	T+ 1 Week
3.	Submission of SRS document for Khajane II system.	<ul style="list-style-type: none"> System Requirement Specifications (SRS) Document. 	T + 8 Weeks
4.	Sign-off from Department on SRS.	<ul style="list-style-type: none"> None (Deliverables for this milestone shall be responsibility of Department and is dependent on conformity of SI's performance against the above mentioned activities and milestones). 	T + 11 Weeks

S. N	Milestone	Deliverables from SI	Timelines
5.	Submission of System Design Document.	<ul style="list-style-type: none"> ▪ Technical / System Design Document including but not limited to : <ul style="list-style-type: none"> • Logical and Physical Data base Design. • Logical Data Dictionary and data / file formats. • Component and Deployment Views of the Application. • Collaboration, Class diagrams in the UML notations. • Security and Features. • Performance Features. • Interface / Control Design Features. ▪ Traceability Matrix. ▪ Data Migration Plan. 	T + 15 Weeks
6.	Sign-off from Department on system design documents.	<ul style="list-style-type: none"> ▪ None (Deliverables for this milestone shall be responsibility of the Department and is dependent on conformity of SI's performance against the above mentioned activities and milestones). 	T + 17 Weeks
7.	Submission of change management plan and Training Plan.	<ul style="list-style-type: none"> ▪ Change Management Plan ▪ Training Plan 	T + 19 weeks
8.	Submission of IT Infrastructure sizing documents for Primary and BCP / DR site.	<ul style="list-style-type: none"> ▪ IT Infrastructure sizing documents for Primary and Disaster Recovery sites. 	T + 19 weeks
9.	Approval of IT Infrastructure sizing document, for Primary and BCP/D.R site, by the department.	<ul style="list-style-type: none"> ▪ None (Deliverables for this milestone shall be responsibility of Department and is dependent on conformance of SI's performance against the above mentioned activities and milestones). 	T + 20 weeks
10.	Submission of Testing Approach & test cases documents for third party security audit & UAT.	<ul style="list-style-type: none"> ▪ Document on Testing Approach for Khajane II Application Software, along with the test cases including but not limited to <ul style="list-style-type: none"> • Type of Inputs (functional / performance / stress / Acceptance / structural) also including Test Coverage 	T + 22 Weeks

S. N	Milestone	Deliverables from SI	Timelines
		<ul style="list-style-type: none"> / boundary conditions. • Machine Configuration. • Test Assumptions. • Exact test stimuli as applicable. • Response Time / Execution Time / Throughput. 	
11.	Sign Off on Testing Approach & test cases documents, for third party security audit & UAT, by the department.	<ul style="list-style-type: none"> ▪ None (Deliverables for this milestone shall be responsibility of Department and is dependent on conformity of SI's performance against the above mentioned activities and milestones). 	T + 25 weeks
12.	Development/customization and submission for acceptance testing & UAT of the following modules of the application software – <ol style="list-style-type: none"> a. Bill Submission; b. Bill Processing; c. Payment Authorization; d. Accounts Compilation. 	<ul style="list-style-type: none"> ▪ Developed/ customized, tested four named modules of the Khajane II software (Note: before submission of software for third party acceptance testing & UAT, the SI should perform in-depth internal testing and should address all the gaps identified during such internal testing). ▪ Reports on Various Tests performed over the 4 named modules of Khajane II system along with the results & resolution reports for the issues identified during Testing. 	T + 31 Weeks
13.	Submission of Third Party and User Acceptance Testing Reports for the four modules of – <ol style="list-style-type: none"> a. Bill Submission; b. Bill Processing; c. Payment Authorization; d. Accounts Compilation. 	<ul style="list-style-type: none"> ▪ None (Deliverables for this milestone shall be responsibility of Department and is dependent on conformity of SI's performance against the above mentioned activities and milestones). 	T + 35 Weeks
14.	Submission of Digitized Records for Review and Validation.	<ul style="list-style-type: none"> ▪ Submission of printed records of digitized data for review and validation by GoK. 	T + 35 Weeks
15.	Delivery & deployment of the required IT equipments (including hardware & network devices) suggested as part of technical solution	<ul style="list-style-type: none"> ▪ IT Infrastructure solution encompassing Network, Servers, storage, System Software etc. ▪ Install Khajane II Software and perform availability, performance, reliability and 	T + 36 Weeks

S. N	Milestone	Deliverables from SI	Timelines
	for Data Centre and BCP / DR.	security testing across the Phase I locations.	
16.	End – user training for pilot stage I.	<ul style="list-style-type: none"> ▪ Completion of Training for all the users in a phased manner. This will see training being imparted to pilot stage I users on the four modules. ▪ Change Management Workshops including presentation materials and related documents. ▪ Training & User Manuals. 	T + 36 Weeks
17.	Go-live of Khajane II software for pilot stage I.	<ul style="list-style-type: none"> ▪ Defect free Khajane II system along with source Code, library files, DLL's, Setup programs, Documentation, etc for the four modules. 	T + 37 Weeks
18.	Development/customization of the remaining modules of the application software and submission of solution for Third Party Acceptance Testing & UAT.	<ul style="list-style-type: none"> ▪ Developed/ customized, tested rest of the Khajane II software (Note: before submission of software for third party acceptance testing & UAT, the SI should perform in-depth internal testing and should address all the gaps identified during such internal testing). ▪ Reports on Various Tests performed on remaining modules of the Khajane II system along with the results & resolution reports for the issues identified during Testing. 	T+37 Weeks
19.	End – user training for both the phases of rollout stage I.	<ul style="list-style-type: none"> ▪ Completion of Training for all the users in a phased manner. This will see training being imparted to users on application software modules covered under stage I. ▪ Change Management Workshops including presentation materials and related documents. ▪ Updated Training & User Manuals. 	T + 40 Weeks
20.	Rollout stage I with commencement of operations in the treasuries under phase 1.	<ul style="list-style-type: none"> ▪ Rollout of four modules of application software across all treasuries covered under the Phase 1. 	T + 41 weeks
21.	Submission of Third Party and User Acceptance	<ul style="list-style-type: none"> ▪ None (Deliverables for this milestone shall be responsibility of Department and is 	T + 41 Weeks

S. N	Milestone	Deliverables from SI	Timelines
	Testing Reports for the remaining modules.	dependent on conformance of SI's performance against the above mentioned activities and milestones).	
22.	Rollout stage I with commencement of operations in the treasuries under phase 2.	<ul style="list-style-type: none"> ▪ Rollout of four modules of application software across all treasuries covered under the Phase 2. 	T + 43 weeks
23.	Submission of Project Documentation for review by Third party agency* .	<ul style="list-style-type: none"> ▪ Submission of System administration, configuration, training, user manuals, security policy and other project related documentation. 	T + 43 Weeks
24.	Submission of Feedback by GoK on Digitized Records.	<ul style="list-style-type: none"> ▪ None (Deliverables for this milestone shall be responsibility of Department and is dependent on conformance of SI's performance against the above mentioned activities and milestones). 	T + 46 Weeks
25.	Submission of Third Party Review Reports for Project Documentation.	<ul style="list-style-type: none"> ▪ None (Deliverables for this milestone shall be responsibility of the Department and is dependent on conformance of SI's performance against the above mentioned activities and milestones). 	T + 50 Weeks
26.	End – user training for pilot stage II.	<ul style="list-style-type: none"> ▪ Completion of Training for all the users in a phased manner. This will see training being imparted to pilot stage II users. ▪ Change Management Workshops including presentation materials and related documents. ▪ Training & User Manuals. 	T + 50 Weeks
27.	Go-live of Khajane II software for pilot stage II.	<ul style="list-style-type: none"> ▪ Defect free Khajane II system along with source Code, library files, DLL's, Setup programs, Documentation, etc. ▪ Updated & Final System Requirements and Design Documents. ▪ Updated project documentation including Maintenance Manuals for Administration and Maintenance of Khajane II system. ▪ SLA Monitoring & Measurement system using EMS. 	T + 51 Weeks
28.	Capturing feedback from	<ul style="list-style-type: none"> ▪ Upgraded application with feedbacks from 	T + 53

S. N	Milestone	Deliverables from SI	Timelines
	the pilot phase and implementing the changes to the system.	the pilot phase both in terms of – a. Functionality. b. Performance.	weeks
29.	End – user training for both the phases of rollout stage II.	<ul style="list-style-type: none"> ▪ Completion of Training for all the users in a phased manner. This will see training being imparted to users on application software modules covered under stage II. ▪ Change Management Workshops including presentation materials and related documents. ▪ Updated Training & User Manuals. 	T + 56 Weeks
30.	Rollout stage II with commencement of operations in the treasuries under phase 1.	<ul style="list-style-type: none"> ▪ Rollout of remaining modules of application software across all treasuries covered under the Phase 1. 	T + 56 weeks
31.	Rollout stage II with commencement of operations in the treasuries under phase 2.	<ul style="list-style-type: none"> ▪ Rollout of remaining modules of application software across all treasuries covered under the Phase 2. 	T + 58 weeks
32.	Acceptance Go-Live after burn testing of the system for 1 month.	<ul style="list-style-type: none"> ▪ The entire system with 1 months satisfactory functioning in a integrated environment. 	T + 62 weeks
33.	Final Go-Live after 2 months of stabilization.	<ul style="list-style-type: none"> ▪ The last two months before the final go-live would be monitored for system stability supported by reports from helpdesk. 	T + 70 weeks
34.	Completion of integration of all state Government departments with Khajane II.	<ul style="list-style-type: none"> ▪ Training of nominated officers of each department. ▪ Soft deployment of tools (if required). 	T + 122 weeks
35.	Quarterly Operations & Maintenance Support .	<ul style="list-style-type: none"> ▪ Post Implementation Support to Department. ▪ Call Log & Resolution Reports for Helpdesk. ▪ Daily/Weekly/for-nightly/monthly Performance Monitoring Reports for the Khajane II system. 	To commence from T + 70 weeks

S. N	Milestone	Deliverables from SI	Timelines
		<ul style="list-style-type: none"> ▪ Updated system design documents, specifications. ▪ Latest source code, application deployment files, configuration files for entire solution. ▪ Updated user manuals, administration manuals, training manuals etc. ▪ Software change logs etc. 	At the end of Each Quarter during O & M

6.4 RFP for Selection of SI for implementation and maintenance of Khajane II project

a. Appendix 1 – GoK Treasuries RFP - Volume I - Functional & Technical SpecificationsV1.pdf

i. Contents of interest -

i. Section 3: Scope of Work

ii. Section 4: Implementation Approach & Plan

iii. Section 6: System Overview and Functional Requirements

b. Appendix 2 – GoK Treasuries RFP - Volume III - Operational Requirements & Legal Specifications

i. Contents of interest –

i. Section 1: Operational Requirements

ii. Section 2: Acceptance Testing & Certification

iii. Section 3: Service Level Requirements

c. Appendix 3 – Addendum to Khajane II RFP

i. Contents of interest -

i. Point 1 to 29

ii. Points 53 to 71

iii. Points 108 to 114

d. Appendix 4 – Second Addendum to Khajane II RFP.pdf

i. Contents of interest –

i. Points 1 to 6

ii. Points 8 to 9

7 Draft Master Services Agreement

This agreement made on this day of _____ two Thousand and _____, by and between: (i) the Governor of Karnataka represented by the Director of Treasuries and, Project Director Khajane II, Government of Karnataka, Department of Treasuries, V.V. Centre, Podium Block, Dr. Ambedkar Veedhi, Bangalore 560001, (hereinafter referred to as "Project Director Khajane II" or "Department" which expression, unless excluded or the context otherwise required hereof shall include his/her successors and assignees or any other officer appointed/nominated by the Government of Karnataka) of the FIRST PART;

AND

(ii) ___<name of the company>___, a company registered under the Indian Companies Act, 1956 having its registered office at ___<address>___ and place of business at ___<address>___ (hereinafter referred to as "Third Party Agency" or "TPA", which expression, unless excluded or the context otherwise required hereof includes its successors, administrators and assigns) represented through its ___ <designation of authorized person>___, who is duly authorized by the Third Party Agency to execute this agreement of the SECOND PART WHEREAS

WHEREAS

1. Project Director Khajane II has requested the TPA to provide certain services as defined in the Scope of Work, in the RFP for Selection of TPA for "Concurrent and Final Audit of the Khajane II IT system" (hereinafter called the "Services");
2. the TPA, having represented to the <Name of the Department> that they have the required professional skills, personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract; and

NOW THEREFORE the parties hereto agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - a. The RFP for selection of Third Party Agency for Concurrent Audit of Development and Final Audit of the Application, IT Infrastructure, Performance and Security of IT Solution for Khajane II;
 - b. The RFP for Selection of Service Provider for Design, Development, Testing, Installation and Maintenance of IT Solution for Khajane II;
 - c. The Annexures contained in both RFP

2. Project Director Khajane II undertook selection of a suitable TPA, adopting an open tender process, through competitive bidding for Concurrent and Final Audit of the Khajane II IT system and issued a Request for Proposal (RFP) dated 20/08/2011;
3. The TPA has been selected as the successful bidder to undertake the Concurrent and Final Audit of the Khajane II IT system.
4. The TPA in pursuance of its proposal undertakes to perform the activities stated herein above
5. The mutual rights and obligations of the department and the TPA shall be as set forth in the Contract, in particular:
 - a. The TPA shall carry out the Services in accordance with the provisions of the Contract.
 - b. Project Director Khajane II shall make payments to the TPA in accordance with the provisions of the Contract.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS AND CONDITIONS HEREIN CONTAINED, IT IS HEREBY AGREED between the Parties as follows: Project Director Khajane II and the TPA (each individually a "Party" hereto and collectively the "Parties") have agreed to enter into this Agreement to govern the way in which the TPA will perform the Concurrent and Final Audit of the Khajane II IT system in accordance with the requirements as set out in the Scope of Work in this RFP and the related clauses which include timelines as detailed in the RFP for "Khajane II Development & Maintenance of an Integrated Financial Management System" for the Department of Treasuries.

1. ARTICLE 1 – DEFINITIONS AND INTERPRETATION

1.1 Definitions

- a. Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:
 1. "Agreement" means this Agreement together with all the Schedules and the contents and specifications of the two RFPs; RFP for selection of Third Party Agency for concurrent and final audit of IT solutions for Treasuries together with its addendums & clarifications and RFP for the implementation and maintenance of Khajane II project, including its addendums and clarifications.
 2. "Applicable Law" means the laws and any other instruments having the force of law in India, as they may be issued and in force from time to time;

3. "Effective Date" means the date on which this Contract comes into force and effect;
4. "Contract Price" means the price to be paid for the performance of the Services ;
5. "Government" means the Government of Karnataka;
6. "Local currency" means Indian Rupees;
7. "Parties" means Project Director Khajane II and the TPA and "Party" means either of the Parties;
8. "Personnel" means persons hired by the TPA as employees and assigned for the performance of the Services or any part thereof;
9. "Services" means the work to be performed by the TPA/Agency pursuant to this Contract as described in the RFP;

1.2 Law Governing the Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law of the land.

1.3 Language

This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.4 Notices

Any notice, request or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered to an authorized representative of the Party to whom the communication is addressed, or when sent by e-mail, registered mail, fax, telex, telegram or facsimile or in person to such Party at the address specified in the RFP and the bid proposal.

1.5 Location

The Services shall be performed at such locations, whether in Karnataka or elsewhere, as the Project Director Khajane II may approve. In such a case the Project Director will reimburse the TA / DA or any other applicable allowance subject to the following conditions –

- a. Entitlement for accommodation and local travel at Rs. 2000 per day
- b. 2 tier AC Train ticket for travelling to the destination city from Bangalore.

Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Project Director Khajane II or the TPA may be taken or executed by officials specified in writing by the TPA on its behalf and accepted by the Project Director, and any officials/person/s nominated by the Project Director on its behalf.

1.6 Taxes and Duties

The TPA, Hired consultants and their Personnel shall pay such taxes, duties, fees, funds and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price.

During the tenure of this agreement the TPA at all times shall agree to comply with all applicable laws, rules and regulations relating to or affecting the performance of its obligations hereunder and shall secure and maintain in full force and effect all licenses, permits and authorisations from the concerned Governmental or statutory bodies and agencies, to the extent the same is required and necessary for the performance of its obligations to the satisfaction of the Project Director Khajane II.

2. ARTICLE II – PROJECT EXECUTION AND MANAGEMENT PHASE

2.1 Scope of Contract

This Agreement shall govern the provision of the professional services, listed and fully described in the Scope of Work in the RFP.

The assignment would consist of two phases

1. Concurrent Audit of the Software development process

The SI who is selected for development & implementation of Khajane II will be required to give the guidelines and standards for the development of the Khajane II IT system as per Software Development Life Cycle (SDLC). The TPA selected based on this tender shall ensure that the agreed upon guidelines, and standards between TPA, SI Khajane II project and Project Director Khajane II are followed by the SI. The TPA will regularly and concurrently report the deviation from the guidelines and standards set and advise the SI and Project Director Khajane II on the possible ways to ensure compliance.

2. Final Audit of the Khajane II IT system

The TPA selected, based on this tender will be required to test and audit Khajane II IT system delivered by the SI with respect to performance, security, and the IT infrastructure and system software developed by it and submit a report, to the Project Director Khajane II about its findings.

2.2 Effectiveness of Contract

This Contract shall come into effect on the date the Contract is signed by either Parties, or such other later date as may be decided by the Project Director Khajane II.

2.3 Commencement of Services

The TPA shall begin carrying out the Services within 15 days from the "Effective Date" as defined earlier in this agreement or any such date as may be specified by the Project Director Khajane II.

2.4 Expiration of Contract

Unless terminated earlier pursuant to Clause 7.3, this Contract shall terminate at the end of such time period after the Effective Date as is specified in the RFP.

2.5 Modification

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made by written agreement between the Parties.

7.1 FORCE MAJEURE

- a) Neither Party to this Agreement shall be liable to the other, for any loss or damage, which may be suffered by the other due (directly) to the extent and for the duration of any cause beyond the reasonable control of the Party unable to perform the services due to events such as but not limited to acts of God, not confined to the premises of the Party claiming the Force Majeure, flood, drought, lightning or fire, earthquakes, strike, lock-outs beyond its control, labour disturbance not caused at the instance of the Party claiming Force Majeure, acts of government or other competent authority, war, terrorist activities, military operations, riots, epidemics, civil commotions etc. No failure, delay or other default of any contractor or sub-contractor to either Party shall entitle such Party to claim Force Majeure under this Article. Force

- majeure under this article cannot be claimed for default or failure of the TPA's personnel/TPA.
- b) The Party seeking to rely on Force Majeure shall promptly, within 2 days, notify the other Party of the occurrence of a Force Majeure event as a condition precedent to the availability of this defence with particulars detail in writing to the other Party and shall demonstrate that it has and is taking all reasonable measures to mitigate the events of Force Majeure.
 - c) The event of force Majeure is to be reviewed under two categories i.e. prior to commencement of operations and post commencement of operations respectively.
 - d) Prior to commencement of operations: If the event of Force Majeure occurs prior to commencement of operations and continues for a period in excess of ten days, then the Project Director, Khajane II Project will grant a period of 7 days to the TPA to resume normal activities under this Agreement. In case the default continues, then the Project Director, Khajane II Project may discuss the issue with the TPA and revise the existing timelines. However the revised timelines will be drawn up so as to synchronize with the SI's project implementation timelines and the TPA shall make sure that the deliverables will be executed in sync with the requirements at every stage, where his deliverables have to be made. If the TPA fails to make timely deliverables, the Project Director, Khajane II Project will have the option to invoke the Performance Guarantee and/or terminate this Agreement.
 - e) Post commencement of operations: In the event of Force Majeure, post commencement of operations, the Project Director, Khajane II Project, upon ending of events leading to force majeure, will grant a period of 7 days to the TPA to resume normal services under this Agreement. In case the default continues, the Project Director, Khajane II Project may at his discretion grant an extension of time to the TPA for rectifying the situation. However, the Project Director, Khajane II Project will deduct for each day of extension period a percentage proportionate to the number of days from the next payable amount as per Payment Schedule. If there is any further delay despite the extended period, the Project Director, Khajane II Project will have the option to invoke the Performance Guarantee and/or terminate the Agreement.
 - f) All payments pursuant to termination due to Force Majeure event shall be in accordance with the Terms of Payment Schedule.
 - a. No Breach of Contract

The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

b. Payments

For their inability to perform the Services as a result of an event of Force Majeure, the TPA shall be entitled to be paid as per the terms of this Contract, subject to the completion of the tasks, which were due by the TPA as per the contract and were disrupted due to the occurrence of the event of Force Majeure.

7.2 Liability of Damage

- a) Project Director Khajane II, its representatives, assignees, officers, advisors, consultants and employees shall not be liable for any direct, indirect or consequential loss or damage sustained by the TPA or any person whatsoever claiming through the TPA due to reasons of any harm, loss arising out of this assignment.
- b) The TPA shall indemnify and hold Project Director Khajane II and all its associates, its representatives, assignees, officers, advisors, consultants, employees harmless from any loss, damage or liability arising from any commission or omission on the part of the TPA, its employees, consultants, sub consultants in connection with:
 1. any violation of the laws of India or any other country or damage to any third party arising from the operationalization of the TPAs assignment on this project.
 2. any failure on the part of the TPA to obtain and keep in force the necessary permissions, licenses, clearances from the Government and authorities concerned.;
 3. any non compliance of any rules, terms, conditions laid down by any authority applicable.

7.3 Termination of Contract

7.3.1 By Project Director – Khajane II

Project Director Khajane II may terminate this Contract, by not less than thirty (30) days' written notice of termination to the TPA, to be given after the occurrence of any of the events specified in paragraphs (a) through (e) of this clause (clause 7.3.1) and sixty (60) days' in the case of the event referred to in (f):

- a) if the TPA does not remedy a failure in the performance of its obligations under the Contract, within thirty (30) days of receipt after being notified or within such further period as Project Director Khajane II may have subsequently approved in writing;
- b) if the TPA (or any of its Members) become insolvent or bankrupt;
- c) if, as the result of Force Majeure, the TPA is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- d) if the TPA, in the judgment of Project Director Khajane II has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purpose of this clause:

- i. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
 - ii. "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of GOK, and includes collusive practices among consultants (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and to deprive department of the benefits of free and open competition.
- e) If the TPA makes inordinate delays in commencing the task and as specified in the RFP and if the TPA fails to meet the deliverables as per the timelines indicated, thereby affecting the Khajane II project implementation
- f) If the Project Director Khajane II, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

7.3.2 By the TPA

The TPA may terminate this Contract, by not less than thirty (30) days' written notice to the Project Director Khajane II; such notice to be given after the occurrence of any of the events specified in paragraphs (a) and (b) of this Clause

- a) If Project Director Khajane II fails to pay any monies due to the TPA pursuant to this Contract and not subject to dispute pursuant to Clause 6.8 hereof, within forty-five (45) days after receiving written notice from the TPA that such payment is overdue.

- b) If Project Director Khajane II is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the TPA may have subsequently approved in writing), following the receipt by Project Director Khajane II of the TPA's notice specifying such breach.

7.3.3 Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Clause 7.3, or upon expiration of this Contract pursuant to Clause 2.4, all rights and obligations of the Parties hereunder shall cease, except :

- i. such rights and obligations as may have accrued on the date of termination or expiration;
- ii. the obligation of confidentiality set forth in Clause 7.5.3 hereof;
- iii. any right which a Party may have under the Applicable Law.

7.3.4 Cessation of Services

Upon termination of this Contract by notice of either Party to the other pursuant to Clauses 7.3.1 & 7.3.2 hereof, the TPA shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make available all documents, documentation prepared by the TPA for the project till that time to the Project Director Khajane II and return all such equipment and materials which may have been furnished by the Project Director Khajane II to the TPA, the TPA shall proceed as provided, respectively, by Clauses 7.5.8 and 7.5.9.

7.3.5 Payment upon Termination

Upon termination of this Contract pursuant to Clauses 7.3.1 & 7.3.2 hereof, the Department shall make the following payments to the TPA (after deducting any amount that may be due from the TPA to Project Director Khajane II):

- i. remuneration for Services satisfactorily performed prior to the effective date of termination;
- ii. reimbursable expenditures as agreed to in the contract for expenditures actually incurred prior to the effective date of termination; and

7.3.6 Disputes about Events of Termination

If either Party disputes whether an event specified in paragraphs (a) through (f) of clauses 7.3.1 & paragraphs (a) through (b) 7.3.2 hereof has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

7.4 Changes

Unless expressly dealt with elsewhere in this Agreement, any changes under or to this Agreement or under or to the SLA shall be dealt with in accordance with the Change Control Schedule.

7.5 Obligations of the TPA

7.5.1 General

The TPA shall perform the Services and carry out their obligations hereunder with all due diligence and efficiency, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods. The TPA shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Project Director Khajane II, and shall at all times support and safeguard the Project Director Khajane II's legitimate interests in any dealings with their hired consultants or Third Parties.

7.5.2 Conflict of Interests

TPA Not to Benefit from Commissions, Discounts, etc.

The remuneration of the TPA pursuant to Clause hereof shall constitute the TPA's sole remuneration in connection with this Contract or the Services and the TPA shall not

accept for their own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations hereunder, and the TPA shall use their best efforts to ensure that hired consultant, as well as their Personnel agents associated with this contract, similarly shall not receive any such additional remuneration.

Procurement Rules of Funding Agencies

If the TPA, as part of the Services, have the responsibility of advising the Project Director Khajane II on the procurement of goods, works or services, the TPA shall comply with any applicable procurement guidelines of the funding agencies and shall at all times exercise such responsibility in the best interest of the Project Director Khajane II. Any discounts or commissions obtained by the TPA in the exercise of such procurement responsibility shall be for the account of the Project Director Khajane II.

TPA and Affiliates Not to engage in Certain Activities

The TPA agree that, during the term of this Contract and after its termination, the TPA and any entity affiliated with the TPA, as well as any consultant hired for this contract and any entity affiliated with such consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof), for any project resulting from or closely related to the Services.

Prohibition of Conflicting Activities

The TPA shall not engage, and shall cause their Personnel as well as their hired consultants and their Personnel not to engage, either directly or indirectly, in any of the following activities:

- a. during the term of this Contract, any business or professional activities in GOK which would conflict with the activities assigned to them under this Contract; and
- b. after the termination of this Contract, such other activities as may be specified by the Project Director Khajane II.

7.5.3 Confidentiality

- a. The TPA, their hired consultants and the Personnel of either of them shall not, either during the term or within two (2) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract or the Department's business or operations without the prior written consent of the Project Director Khajane II.
- b. Project Director Khajane II may permit the TPA to come into possession of confidential public records as per the needs of the project and the TPA shall

maintain the highest level of secrecy, confidentiality and privacy with regard thereto.

- c. Additionally, the TPA shall keep confidential all the details and information with regard to the Project, including systems, facilities, operations, management and maintenance of the systems/ facilities.
- d. Project Director Khajane II shall retain all rights to prevent, stop and if required take the necessary punitive action against the TPA regarding any forbidden disclosure.

7.5.4 Data Protection

- a. In the course of providing the Services the TPA may be compiling, processing and storing proprietary PROJECT Data relating to the users.
- b. The TPA is responsible for complying with its respective obligations under the applicable data protection laws and regulations governing the PROJECT Data.
- c. As a processor of PROJECT Data, the TPA will process PROJECT Data in accordance with the terms of this Agreement. For the purpose of this agreement Data means
 - i. Data generated from either Khajane I or Khajane II application software during the course of its performing Government business operations.
 - ii. Data handled by the TPA either in digital form or in hard copy for conducting its services envisaged under the scope of work of this RFP.
 - iii. Source code and documentation of the Khajane I or Khajane II application software or any other proprietary products used to deliver services under Khajane II project or used to generate the Khajane II source code / documentation.
 - iv. Data belonging to the Khajane II – SI, with TPA getting access to it as part of its mandate of performing services under the scope of work of this RFP.
 - v. Any data which the Khajane II SI or the Project Director may deem sensitive and confidential.
- d. The TPA shall not transfer any PROJECT Data unless otherwise authorized by Project Director Khajane II in this regard.

7.5.5 Insurance to be taken out by the TPA

The TPA -

- i. shall take out and maintain, and shall cause any Hired consultant/s to take out and maintain, at their own cost, insurance against the risks, and for the coverages, as specified below, and
- ii. at the request of the Project Director Khajane II, shall provide evidence showing that such insurance has been taken out and maintained and that the current premiums thereof have been paid.

The risks and the coverages shall be as follows:

- a. Project Director Khajane II's liability and workers' compensation insurance in respect of the Personnel of the TPA and of any consultant, engaged by it, in accordance with the relevant provisions of the applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and
- b. Insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the TPA' property used in the performance of the Services, and (iii) any documents prepared by the TPA in the performance of the Services.

7.5.6 Accounting, Inspection and Auditing

The TPA (i) shall keep accurate and systematic accounts and records in respect of the Services, hereunder, in accordance with accepted accounting principles of the Government of Karnataka and in such form and detail as will clearly identify all relevant time charges and cost, and the bases thereof ; (ii) shall permit the Project Director Khajane II or its designated representative periodically, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Project Director Khajane II.

7.5.7 TPA's Actions Requiring Project Director's Khajane II Prior Approval

The TPA shall obtain the Project Director's Khajane II prior approval in writing before taking any of the following actions:

- a. entering into a subcontract for the performance of any part of the Services, after signing this contract with the department it being understood (i) that the selection of the Sub-consultant and the terms and conditions of the subcontract, would have been done prior to the submitting the bid proposal

- and (ii) that the TPA shall remain fully liable for the performance of the Services by the Sub-consultant and its Personnel pursuant to this Contract; and
- b. replacing such members of the Personnel as are listed in 5.7 of the RFP.
- c. any other action that may be specified by the Project Director Khajane II.

7.5.8 Documents Prepared by the Consultants to be the Property of the Project Director Khajane II

All plans, drawings, specifications, designs, reports, other documents and software prepared by the TPA for the Project Director Khajane II under this Contract shall become and remain the property of the Project Director Khajane II, and the TPA shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Project Director Khajane II, together with a detailed inventory thereof. The TPA may retain a copy of such documents and software. Restrictions about the future use of these documents and software, if any, shall be specified by the Project Director Khajane -II.

7.5.9 Equipment and Materials Furnished by the Project Director Khajane II

Equipment and materials made available to the TPA by the Project Director Khajane II, or purchased by the TPA with funds provided by the Project Director Khajane II, shall be the property of the Project Director Khajane II and shall be marked accordingly. Upon termination or expiration of this Contract, the TPA shall make available to the Project Director Khajane II an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Project Director Khajane II's instructions.

7.5.10 Reporting Obligations

The TPA shall submit to the Project Director Khajane II reports and documents as specified in this RFP hereto, in the form, in the numbers and within the time periods set forth in this document in clause 2.5 and 2.6 of the RFP for selection of TPA for Concurrent and Final Audit of IT solution for Treasuries.

7.6 TPA's Personnel

7.6.1 General

The TPA shall employ and provide such qualified and experienced Personnel and Hired consultants as have been proposed in response to this RFP.

If additional work is required beyond the scope of the Services specified in the Scope of Work, the estimated periods of engagement may be increased by agreement in writing between the Project Director Khajane II and the TPA, and in accordance with the Change Management Schedule.

7.6.2 Approval of Personnel

The Key Personnel deployed for the engagement shall be those whose resumes have been submitted by the TPA in response to the RFP and listed out in 5.7. Before commencement of the work a list by title as well as by name shall be submitted to the Project Director Khajane II who in turn shall review and approve the list after verifying it with the resumes proposed in the bid proposals and accepted by the Tender Accepting Authority-TPA.

7.6.3 Working Hours, Overtime, Leave, etc.

- a. Working hours and holidays for the Personnel of the TPA are corresponding to that of the Government of Karnataka.
- b. Remuneration will be the claims as per the quotations in the bid accepted by the Tender Accepting Authority. No other claims such as overtime or paid sick leave or vacation leave, etc. will be entertained. Managing leave of the personnel is the responsibility of the TPA and TPA shall ensure that there is no disruption in services and that the deliverables are made as per the agreed SLAs.

7.6.4 Removal and/or Replacement of Personnel

- a. Except as the Project Director Khajane II may otherwise agree, no changes shall be made in the Personnel proposed during the bid submission. If, for any reason beyond the reasonable control of the TPA, it becomes necessary to replace any of the Personnel, the TPA shall forthwith provide as a replacement a person of equivalent or better qualifications.
- b. If the Project Director Khajane II (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the TPA shall, at the Project Director's written request specifying the grounds thereof, forthwith provide as a replacement a person with qualifications and experience acceptable to the Project Director Khajane II.

- c. There shall be no remuneration paid towards any expenditure incidental to or otherwise towards such removals/replacements, such as travel charges etc., by the Project Director Khajane II.

7.6.5 Project Manager

TPA shall ensure that at all times during the TPA's performance of the Services, a project manager, acceptable to the Project Director Khajane II, would be available for regular interaction and reporting. The project manager would be required to attend all meetings where the TPA's role and the activities performed by it are discussed.

The Project Manager shall validate all the reports submitted by the TPA and should take responsibility of answering related queries of the Project Director. It shall be the responsibility of the Project Manager to present all such reports to key committees of the department, constituted for spearheading the Khajane II project. The Project Manager would be expected to be receptive to the expectations of the Project Director and other key stakeholders of the Khajane II project and ensure the incorporation of the same to the deliverables.

7.7 Payment

In consideration of the Services performed by the TPA under this Contract, the Project Director Khajane II shall make to the TPA such payments within 30 days of receiving the invoice and after calculating any deductions towards SLAs.

7.7.1 Currency of Payment

All payments (Remuneration and Reimbursable) shall be made in Indian Rupees

7.7.2 Mode of Billing and Payment

Billing and payments in respect of the Services shall be made as follows:

- a. As soon as practicable and not later than fifteen (15 days) after the end of each calendar month during the period of the Services, the TPA shall submit to the Project Director Khajane II, in duplicate, itemized statements, accompanied by copies of receipted invoices, vouchers and other appropriate supporting materials of the amounts payable for such month.

- b. The Project Director Khajane II shall cause the payment of the TPA within 30 (30) days after the receipt by the Project Director Khajane II of bills with supporting documents (if required). Only such portion of a monthly statement that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to be incurred by the TPA, the Project Director Khajane II may add or subtract the difference from any subsequent payments.
- c. The final payment under this Clause shall be made only after the final report and a final statement, identified as such, shall have been submitted by the TPA and approved as satisfactory by the Project Director Khajane II. The Services shall be deemed completed and finally accepted by the Project Director Khajane II and the final report and final statement shall be deemed approved by the Project Director Khajane II as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the Project Director Khajane II unless the Project Director Khajane II, within such ninety (90)-day period, gives written notice to the TPA specifying in detail deficiencies in the Services, the final report or final statement. The TPA shall thereupon promptly make any necessary corrections, and upon completion of such corrections, the foregoing process shall be repeated. Any amount which the Project Director Khajane II has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract shall be reimbursed by the TPA to the Project Director Khajane II within thirty (30) days after receipt by the TPA of notice thereof. Any such claim by the Project Director Khajane II for reimbursement must be made within twelve (12) calendar months after receipt by the Project Director Khajane II of a final report and a final statement approved by the Project Director Khajane II in accordance with the above.

7.8 Dispute Resolution

Any dispute arising out of or in connection with this Agreement or the SLA shall in the first instance be dealt with in accordance with the escalation procedure set out in b of this clause.

Any dispute or difference whatsoever arising between the parties to this Agreement out of or relating to the construction, meaning, scope, operation or effect of this Agreement or the validity of the breach thereof, which cannot be resolved through the application of the provisions of the standard escalation procedure, shall be dealt in accordance with the provisions set forth herein.

a. Scope of Dispute Resolution

Except where otherwise provided in the agreement, all questions and disputes relating to the meaning of the specifications, design, drawings and instructions here-in before mentioned and as to the quality of the audit or tools used on the work or as to any other question, claim, right, matter or thing whatsoever in any way arising out of or relating to the agreement, designs, drawings, specifications, estimates, instructions, orders or these conditions or otherwise, concerning the services and deliverables or the execution or failure to execute the same whether arising during the progress of the Project or after the cancellation, termination, completion or abandonment thereof shall be dealt with as mentioned hereinafter:

b. Dispute Resolution Board

If any dispute arises between Project Director Khajane II and the TPA in connection with, or arising out of, the agreement or the execution of the Project, whether during the execution of the Project or after its completion and whether before or after the repudiation or other termination of the agreement, including any disagreement by either party with any action, inaction, opinion, instruction, determination, certificate or valuation, the matter in dispute shall, in the first place, be referred to the Dispute Resolution Board here in after called "the Board." For purposes of this agreement, the Technical Committee Khajane II, shall act as the Board. The board at its discretion may co-opt any other officer if in its opinion it may help in resolving the dispute. Either party may refer a dispute to the Board. The board shall give a decision in writing within 30 days of reference of dispute. Either party may prefer an appeal to the written decision of the board to the Steering Committee Khajane II. If neither party refers the disputes to arbitration within 30 days of the date of such decision, the Board's decision will be final and binding. Steering Committee Khajane II at its discretion may change any of the members of the board.

c. Arbitration

In case, a dispute is referred to arbitration, the arbitration shall be under the Indian Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by Project Director Khajane II and the TPA, the third arbitrator shall be chosen by the two arbitrators so appointed by the parties and shall act as Presiding Arbitrator. In case of failure of the two arbitrators, appointed by the parties to reach a consensus regarding the appointment of the third arbitrator within a period of 30 days from the date of appointment of the two arbitrators, the Presiding Arbitrator shall be appointed by the Project Director Khajane II. Arbitration

proceedings shall be held in Bangalore and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English. The decision of the majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by Project Director Khajane II and the TPA. However, the expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself. All arbitration awards shall be in writing and shall state the reasons for the award.

7.9 AMENDMENT

The Parties acknowledge and agree that amendments to this agreement shall be made through mutual agreement between the parties in writing in accordance with the procedures laid down in this Agreement and is executed and signed.

IN WITNESS WHEREOF the Parties have by duly authorized representatives set their respective hands and seal on the date first above written in the presence of:

For Project Director Khajane II

Signed

For and on behalf of the

Governor of Karnataka _____

By: ____ (signature) _____

(Name and designation) ____

For TPA

Signed

For and on behalf of the

_____ (Company name) _____

By: ____ (signature) _____

____ (Name and designation) ____

An authorized signatory duly nominated pursuant to Board Resolution No. _____ dated _____ of the [TPA]

Witness 1

Name.....

Designation.....

Organization

Fax:

Email:.....

Signature

Witness 2

Name.....

Designation.....

Organization

Fax:

Email:.....

Signature

SCHEDULE I - CHANGE CONTROL SCHEDULE

This Change Control Schedule sets out the provisions which will apply to changes to (a) the MSA; (b) the Project Implementation; and (c) SLAs defined under this contract.

- a. Change requests in respect of the MSA, the Project Implementation, or the Operation and Management SLA will emanate from the Parties' respective Project Manager who will be responsible for obtaining approval for the change and who will act as its sponsor throughout the Change Control Process and will complete Part A of the CCN attached below hereto. CCNs will be presented to the other Party's Project Manager who will acknowledge receipt by signature of the CCN.
- b. The TPA and the Project Director, Khajane II Project, while preparing the CCN, shall consider the change only when such change is beyond the scope of Services including ancillary and concomitant services.
- c. It is hereby also clarified that the financial implications including additional payments or reduction in stipulated fees resulting from the change of scope as stated will be calculated as per the cost of such services quoted by the TPA as part of its commercial proposal and would be agreed by both the parties prior to taking up the change control event.
- d. Prior to submission of the completed CCN to the Project Director, Khajane II Project, or its nominated agencies, the TPA will undertake its own internal review of the proposal and obtain all necessary internal approvals. As a part of this internal review process, the TPA shall consider the materiality of the proposed change in the context of the MSA, the Project Implementation, and the SLAs affected by the change and the total effect that may arise from implementation of the change.
- e. Materiality criteria will be established by the Project Director, Khajane II Project and the TPA's Project Manager.
- f. For any changes in the Khajane II system, identified by either party, TPA shall prepare a detailed Change Control Note in the format given below within ten working days from the date of intimation of such change.
- g. The TPA shall be responsible for its own costs incurred in the quotation, preparation of CCNs and in the completion of its obligations as set in the CCN.

Format of the Change Control Note (CCN)

Change Control Note		CCN Number:
Part A: Initiation		
Title:		

Originator:	
Date of Initiation:	
Details of Proposed Change	
(To include reason for change and appropriate details/specifications. Identify any attachments as A1, A2, and A3 etc.)	
Authorised by Project Director, Khajane II project	Date:
Name:	
Signature: Received by the TPA	Date:
Name:	
Signature:	
Change Control Note	CCN Number:
Part B : Evaluation	
(Identify any attachments as B1, B2, and B3 etc.)	
Changes to Services, charging structure, payment profile, service levels and component working arrangements and any other contractual issue.	
Impact:	
Authorized by the TPA	Date:
Name:	
Signature:	
Change Control Note	CCN Number :
Part C : Authority to Proceed	
Implementation of this CCN as	

submitted in Part A, in accordance with Part B is: (tick as appropriate)	
Approved	
Rejected	
Requires Further Information (as follows, or as Attachment 1 etc.)	
For Project Director, Khajane II project its nominated agencies	For the TPA
Signature	Signature
Name	Name
Title	Title
Date	Date