

**National Informatics Centre Services Inc.
New Delhi**

Dated: 31.10.2013

Subject: Proposed guidelines for “entering into Strategic Alliances through Tender process”.

NICSI is at present entering into Strategic Alliances based on the requests being received from the Original Equipment Manufacturers (OEMs) etc. for the products being specialised or proprietary in nature or where the specifications are not common.

2. Recently, it had been decided that the existing procedure towards the above be reviewed by a Working Group and the guidelines be formulated towards the same. Accordingly, a Working Group, consisting of the representatives from DeitY/ NIC / NICSI had been constituted and after detailed discussions, it has submitted its recommendations. These recommendations are as under:

- i) The Group recommends that NICSI should follow the tender process as per the GFRs 2005 for procurement of items within its scope.
- ii) A single Standing Committee (consisting of members from DeitY/NIC/NICSI and invitee from Scientific Department/Organisation or Academic Institution as domain expert) may be set up to formulate the detailed process and mechanism for entering into or renewal of “Strategic Alliances through Tender Process” and to examine the individual proposals received from the User Departments or OEMs and to recommend for entering into Strategic Alliance after following the due process.
- iii) NICSI will prepare the list of product / product class / product domain / product suite / services and support / applications likely to be procured in a year. It can be either decided by NICSI on its own or through feedback received from different agencies including the user departments and organizations. This list should be examined and finalized by the Standing Committee at least once in a financial year.
- iv) Based on the above list, NICSI shall float open / global tenders for inviting bids from eligible OEMs or Channel Partners for respective products / product class / product domain/product suites/services and support/applications and obtain necessary approvals from the competent authority as per normal tender process as per the GFRs, 2005.

- v) OEMs should have a market share of atleast one percent globally in any of the last three fiscal years, for which the necessary documentary evidence like IDC/Dataquest/Gartner Report shall be furnished by the bidders. duly self-certified.

OR

OEM should be a member of NASSCOM / MAIT / any other domain specific registered Indian Industry Association

OR

OEM should have an average turnover of atleast Rs. 5.00 crores during the last 3 fiscal years.

- vi) For providing specialised resource personnel, separate tender may be floated following the prescribed procedure as per the GFRs, 2005.
- vii) Single source procurement shall be as per the provisions in the GFRs, 2005.
- viii) Security clearance shall be obtained for the products, wherever applicable, from the Ministry of Home Affairs or any other concerned GOI Authority, in case the procurement is from any restricted country / source or destination.
- ix) The products should be tested and certified by an authorised Agency, as applicable.
- x) The Standing Committee shall conduct appropriate market intelligence about the product, application and service and give its recommendations about the floating of tender for entering into Strategic Alliance for the product. NICSI shall provide support services to the Standing Committee in this regard. The Standing Committee may determine tentative prices of various products and services being processed through research and market intelligence. However, these prices shall be kept in sealed cover and shall not be disclosed till the commercial bids are opened in the tender.

- xi) OEMs shall be asked to provide a statement showing (i) the MRP / Price-List for each product, (ii) %age discount offered therein to NICSI and (iii) Net Dealer Price (NDP) with %age discount offered to dealers.
- xii) OEM shall offer the Most Favoured Customer (MFC) status to NICSI and shall certify in writing about the best prices offered including certifying that the prices offered are always lower than the NDP for the entire duration of the contract / Strategic Alliance.
- xiii) OEM shall certify about the best practices offered including O&M during the entire duration of the contract/Strategic Alliance.
- xiv) NICSI shall follow the procurement guidelines including the e-Procurement guidelines of Government of India, as applicable.
- xv) After finalization of rates, the same will be put on NICSI's website for 15 days inviting comments with regard to the rates being lowest before entering into Strategic Alliance.
- xvi) NICSI may reserve the right to conclude contract with the firms falling within 20% price band of the reasonable price determined by NICSI through market intelligence for each product and NICSI may give counter-offer to OEM to match the price discovered through market intelligence.
- xvii) OEM shall provide all details about the service as part of the items. For each item, life time shall be indicated and AMC rate after warranty period is over should be provided as part of the bid.
- xviii) The OEM and/or its Authorised Indian Agent(s) on behalf of the OEM can bid in the tender.

3. All the stakeholders, including OEMs, are requested to review the above recommendations and to give comments / feedback on the same, either on email or through letter, so as to reach NICSI latest by 09.11.2013, for consideration before adoption.
