

**APPENDIX C— OUTSOURCING OF MARKETING OF SOFTWARE AND SERVICES POLICY
AND RULES OF UPDESCO**

Note: (See Clause 25)

Confidential

UPDESCO
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**OUTSOURCING OF MARKETING OF SOFTWARE AND SERVICES
POLICY AND RULES**

1. Background:

The corporation has, over the years, developed unique expertise and specialisation in the working of government and quasi government / private organisations and have developed software and expertise in services like training of manpower. This expertise is not only of immense use to the government of U.P., but also to other state governments and Quasi government organisations. The expertise and software developed by *UPDESCO* have been made available to Uttar Pradesh, but no concrete steps have been taken to market these services and software to other States and organisations. *UPDESCO* has developed a File and Letter tracking system software which will be of great use in improving the responsiveness of the government departments and thus help in e-Governance by bringing in accountability and transparency in the operations of the government. Though many file and letter tracking software packages are available the unique feature of the package promoted by *UPDESCO* is that it is web enabled, and when it is loaded on the server or the World Wide Web any *authorised* person may access the information available on the site from anywhere. This is the only web enabled package available to date as per our information, and is in that sense better than the software developed by NIC.

UPDESCO has developed software for Photo Identity card preparation and Voter Data Base creation and management software on the latest guidelines of the Election Commission, GoI. This software is also feature by feature better and more user friendly than any software available in the country. The package developed by *UPDESCO* has been lauded by the Election Commission, GoI. *UPDESCO* has also, over the last two elections, gained valuable insight in the conduct of elections- that too for a large State like Uttar Pradesh, which is unparalleled in any other organisation of its type in the country.

Similarly, *UPDESCO* has gained valuable insight in operations and management of training of different levels of government employees and general public through its own conducted training programs and that of franchisee operations. This experience is valuable, as not many State governments have such experienced organisations who also have an insight into government working. *UPDESCO* also has vast experience in large scale digitisation of data and management of huge volume of data. There is a great demand for this expertise in other States and organisations involved in the development process.

UPDESCO has been participating in the tenders etc., floated by the States and other organisations but this has been found to be insufficient for marketing of *UPDESCO*'s services and software. It has been felt that concentrated efforts have to be made to market the expertise and expert solutions of *UPDESCO*. A concerted marketing effort would require that

UPDESCO's trained manpower be deputed to meet the decision makers in various State governments and organisations, explain the salient features of our product and services and obtain orders from them.

Due to severe depletion of manpower in the corporation, it is often not possible for the corporation to undertake these tasks immediately and complete them within the shortest time frame before other organisations come up with parallel products and services. Concerted marketing effort would also require large investment in sending corporations staff all over the country, which is not possible in the current scenario, as the corporation is running in losses. UPDESCO therefore has to choose some other option. It is after deliberation and looking at the pros and cons of the matter that it is proposed to undertake the marketing activities through partnership with private sector organisations. This policy is therefore being framed to outsource marketing of software and services so that the business is not lost by the corporation, and the image of the corporation as a leading I.T. corporation is built.

2. Scope

Software marketing for any application is often not an isolated task. The Corporation has to often provide complete solution to the clients which may include Hardware to run the application, System software, Application Software and at times even services like data entry of legacy data/information, training of manpower and other associated services. Packages are also not readily available for all applications which clients demand. This policy therefore includes Software packages developed, Software development work, Services or a combination of Hardware, Software development, Packages developed by UPDESCO and services (total solutions). The policy shall also cover outsourcing of software and integrated solution Annual Maintenance Contracts and Manpower Sourcing. The policy does not, however, cover Hardware acquisition in isolation, as a policy for the same exists in the State.

3. Justification

A draft policy outline was put up before The Board of Directors in its 84th meeting held on 2nd January, 2002. The Board of Directors while according approval to the Policy desired that a Transparent policy be formulated. The Board also authorised the Chairman to approve the Policy/rules.

4. The Policy

UPDESCO shall outsource marketing of software and other I.T. related total solutions where such work is not possible to be completed by itself due to resource or other constraints. The outsourcing shall be done through authorisation of **MARKETING PARTNERS** and **GENERAL MARKETING ASSOCIATES** selected from the panel of Software Developers and Integrated Service Providers, who have been selected through the Tender process.

5. Selection of Marketing Partners

Marketing Partners shall be selected for the following two categories:

- (i) **Product Specific Marketing Partners:** They shall be called as **UPDESCO MARKETING PARTNERS (UMP's)**. Marketing Partners shall be selected on case-to-case basis, for one product or service. A

Marketing partner may be selected one or more than one product. The selection of Partners for marketing will be based on the competence and resource availability of the partner. The selection of the marketing partners will be done from the empanelled service providers, selected on the basis of tenders received through advertisement in daily national newspaper(s). The marketing partners will be selected on the basis of their existing experience, manpower availability both in system integration and marketing, technical competence and experience of providing support services. The UMP's shall also be authorised to perform all the marketing and other service activities of a GMA.

- (ii) **General Marketing Associates (GMA):** They shall be called as *UPDESCO General Marketing Associates*. Any organisation duly empanelled through Tender process may be selected as GMA, on the basis of their existing experience, manpower availability both in system integration and marketing, technical competence and experience of providing support services. The GMA's will only market non-standardised software and system integration work where packages developed and standardised by *UPDESCO* are not available. The GMA's shall not directly market Standardised packages for which UMP,s are available, they shall do so only through UMP's.

6. Period of Authorisation

The appointment of the marketing partners will be for a period of two calendar years after which the appointment shall automatically stand dissolved subject to the condition that empanelment of the marketing partner is valid during the period.

7. Allocation of work

The work will be allocated in the following manner:

- A) Software packages which have been developed by empanelled service providers, selected on the basis of tenders, shall be first offered to the same party for marketing, because they will have the technical competence to provide support services to *UPDESCO* clients. The first offer shall be entertained from that party. The Managing Director shall have full powers to award the work to the party, if found competent technically, marketing capability wise and financially.
- B) However, in case the first party declines to be partner in the marketing, or is found to be incapable on the basis of experience and/or resources at its command, offers from other duly empanelled service providers shall be invited. Work shall be allocated on the basis of technical and marketing expertise, financial capacity and availability and spread of resources of the empanelled service provider. In such cases it will be the responsibility of the Managing Director, *UPDESCO* to inform the Board of Directors of the corporation with full facts of the case and award the work after due approval of the Board.

- C) The Marketing Partners (UMP's) shall be responsible for all India marketing of the product or/and service. Division of territory or more than one UMP for one product may also be considered on merits of the case.
- D) GMA's shall have no geographical restriction.
- E) Software development and system integration work obtained by GMA's will be awarded to the concerned GMA. UPDESCO reserves the right to allocate part of the work to other empanelled service providers provided UPDESCO considers that the GMA will not be able to complete the job in time or the GMA does not have the requisite technical competence and resources to complete the work at hand. However, this will be done by mutual understanding between UPDESCO and the concerned GMA.

8. Price fixation and remuneration of marketing partner.

(i) Price fixation - Packaged and standardised products (for UMP's)

- a. The initial retail price of all packaged and standardised products will first be fixed by UPDESCO and the UMP on case to case basis. The division of fee and UPDESCO share will be mutually worked out between UPDESCO and the UMP, which shall not be less than 20% of the total cost of the project plus the cost of work to be done by UPDESCO staff, if any. The approval of The Managing Director, UPDESCO shall be expressly taken on the fee division, prior to submission of written offer to the clients.
- b. Customisation and other services will be quoted extra. The division of customisation fee will be on the same lines as on the package cost with UPDESCO share not less than 20% of the total cost of customisation. The approval of The Managing Director, UPDESCO shall be expressly taken on the fee division, prior to submission of written offer to the clients.

(ii) Price fixation - Non-standardised products, software development, system integration and services (for GMA's and UMP's)

- a. The bid/proposal for software development and system integration work will be prepared and submitted by UPDESCO.
- b. The division of fee and UPDESCO share will be mutually worked out between UPDESCO and the GMA/UMP, which shall not be less than 20% of the total cost of the project plus the cost of work to be done by UPDESCO staff, if any. The approval of The Managing Director, UPDESCO shall be expressly taken on the fee division, prior to submission of written offer to the clients. The proposal will be sent to client department thereafter. In case of any diversion from this rule the prior permission of The Board of Directors is essential.

(iii) Price fixation - Customisation and services (for UMP's)

- a. The bid/proposal for software development and system integration work will be prepared and submitted by *UPDESCO*.
- b. The division of fee and *UPDESCO* share will be mutually worked out between *UPDESCO* and the UMP, which shall not be less than 20% of the total cost of the project plus the cost of work to be done by *UPDESCO* staff, if any. The permission of The Managing Director, *UPDESCO* shall be expressly taken on the fee division. In case of any diversion from this rule the prior permission of The Board of Directors is essential.

9. Terms of payment

All payments will be received directly by *UPDESCO*. Running payment will be provided to the UMP's and GMA's as required by the job, and mentioned in the job contract/Appointment order.

10. Other Terms and Conditions

UPDESCO reserves the right to not to sell its products and services to any client or organisation it deems fit, without assigning any reason. The terms and conditions not covered under this policy shall be decided by the Managing Director, *UPDESCO*, on case to case basis.