

UPDESCO

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SOFTWARE OUTSOURCING POLICY AND RULES

**1. Background**

UPDESCO is the nodal agency for Information Technology implementation, computerization and development of I.T. in the State. Government Department and other clients of the corporation often desire that their software requirements be fulfilled by UPDESCO, to meet their requirement of computerization. This software has to be built on different platforms like Oracle, Sybase, Access, SQL Server etc., to meet the needs of the application. These leading edge technologies require trained manpower which is well conversant with the technology as well as the application. 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 time frame. This policy is therefore being framed to outsource some of these jobs 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 development 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 and other associated services. This policy therefore includes Software development, Services or a combination of Hardware, Software development and services (total solution). 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 84<sup>th</sup> meeting held on 2<sup>nd</sup> 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 software development, other I.T. related total solution and System Integration work where such work is not possible to be completed in time and where trained and competent and conversant manpower is not available. The outsourcing shall be done through a panel of Software Developers and Integrated Service Providers only. Outsourcing shall be done through a panel of service providers duly constituted through an open tender process.

### **5. Categorisation of Service Providers**

The service providers shall be categorised into the following three categories base on their experience and infrastructure availability:

#### **5.1 Categories**

5.1.1 Service providers competent to provide services with estimated value is up to Rs. 5 Lakhs.

5.1.2 Service providers competent to provide services with an estimated value more than Rs. 5 lakhs but less than Rs. 20 lakhs.

5.1.3 Service providers competent to provide services with an estimated value more than Rs. 20 lakhs.

### **6. Requirements and Experience**

6.1 Service providers competent to provide services with an estimated value is upto Rs. 5 lakhs.

(1) Service provider company should be at least one year old

- (2) should have completed successfully at least two jobs of software development/System Integration of value upto Rs. 5 lakhs, during preceding 2 calendar years – job award and successful job completion certificates are essential
  - (3) should have at least a LAN installed with 5 desktops and one server, one printer and adequate UPS capacity
  - (4) should have at least 5 permanent employees on rolls for at least one year, out of which at least 3 employees should have recognised B.tech/B.E./M.C.A. degrees
  - (5) Licensed software
- 6.2 Service providers competent to provide services with an estimated value more than Rs. 5 lakhs but less than Rs. 20 lakhs.

- (1) Service provider company should be at least three year old. Balance sheet and P/L for preceding 2 years are essential
  - (2) should have completed successfully at least three jobs of software development/System Integration of value between Rs. 5 to 20 lakhs, during preceding 2 calendar years – Job award and successful Job completion certificates are essential
  - (3) should have at least a LAN installed with 8 desktops and one server, one network printer, one DJ or DMP, scanner and UPS with adequate capacity
  - (4) should have at least 10 permanent employees on rolls for more than one year, out of which at least 6 employees should have recognised B.Tech/B.E./M.C.A. degrees
  - (5) Licensed software
- 6.3 Service providers competent to provide services with an estimated value more that Rs. 20 lakhs

- (1) Service provider company should be at least three year old. Balace sheet and P/L for preceding 2 years are essential
- (2) should have completed successfully at least three jobs of software development/System Integration of value above Rs. 20 lakhs, during preceding 2 calendar years – Job

award and successful Job completion certificates are essential

- (3) should have at least a LAN installed with 10 desktops and one server, one network printer, two DJ and DMP, scanner and UPS with adequate capacity
- (4) should have at least 20 permanent employees on rolls for more than one year, but of which at least 15 employees should have recognised B.Tech/B.E./M.C.A. degrees
- (5) Licensed client server and other web, front end and RDBMS software

6.4 For the purpose of these rules Service Provider Company shall mean company incorporated under Companies Act 1956, partnership company, partnership firm or any other organization registered under registration of Societies Act or Cooperative Acts.

## **7. Selection of Service Providers**

The selection of the service providers will be done on the basis of tenders received through advertisement in daily national newspaper(s). Tenders received will be screened for requirements and experience and the empanelment of successful bidders will be done after inspection of facilities of the bidders. The service providers will be selected on the basis of their existing experience, manpower availability, technical competence and experience of working on the applications and/or platforms. Service providers will be empanelled for different expertise, levels of competence.

## **8. Period/Renewal of Empanelment**

### **8.1 Period of Empanelment**

The panel of the service providers, if not terminated earlier, will be for a period of two calendar years commencing from the date of empanelment. After which the empanelment of the service providers unless extended, shall automatically stand terminated.

## **8.2 Renewal of Empanelment**

The empanelled service provider may apply for extension of the period of empanelment with renewal fee of Rs 2,500/- (rupees two thousand five hundred only). The application shall be placed before the committee of officers constituted by M.D. and on the recommendation the period of empanelment shall be extended for next two years on no fee holiday basis.

## **9. Allocation of work**

The work will be allocated in the following manner:

- (1) An initial System requirement, cost and man day requirement assessment will be done by UPDESCO. Based on the estimated requirements quotations will be invited from the service providers panel having demonstrable competence in the required field of application development, from categories equal to or above the estimated cost of the project. The selection will be based on the proven competence and lowest quotation.
- (2) Attempt will be made to allocate work to as many panelists as possible by rotation. Successful bidders will, unless demanded by project, technical or experience considerations, not be allocated subsequent work until the project in hand is completed successfully and satisfactorily in opinion of UPDESCO.

## **10. Terms of Payment**

All payments will be received directly by UPDESCO. Running payment will be provided to the service providers as required by the job, and mentioned in the job order.

## **11. Other Terms and Conditions**

- (1) Only Software Developers, System Integrators and Integrated System Providers of proven capabilities in application software development will be empanelled. Only Hardware suppliers and inexperienced Software Developers, System Integrators and Integrated System Providers shall not be empanelled. System software developers and vendors shall not be empanelled.
- (2) UPDESCO reserves the right to reject any or all tenders without assigning any reason.