

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Extension of professional service agreement between TCS and Aarogyasri Health Care Trust for the year 2009-10 at the cost of 4.66 crores – Permission accorded – Orders – Issued.

HEALTH, MEDICAL & FAMILY WELFARE (K2) DEPARTMENT

G.O.Ms.No. 31

dated 01-02-2010

Read the following:-

1. G.O.Ms.No.224, HM&FW (K2) Dept., dt.27-7-2008.
2. G.O.Ms.No.225, HM&FW (K2) Dept., dt.27-7-2008.
3. Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad
Lr. AST/620/F-53/2009-10, dt.8-10-2009.

ORDER:

In the G.O.1st read above, orders were issued authorizing the Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad to develop software and hardware packages required for Aarogyasri-II programme with M/s. Tata Consultancy Services (TCS) and duly associating representatives from the Health, the Finance and the IT Departments for the purpose.

2. In the G.O. 2nd read above, orders were issued permitting the Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad to install the software, hardware, licenses etc. for the Aarogyasri-II scheme with an estimated cost of Rs.3,91,84,266/- (Rupees three crores, ninety one lakhs eighty four thousand two hundred and sixty six only) inclusive all taxes for the payment to be made to M/s. Tata Consultancy Services, subject to achieving the milestones stipulated therein.

3. In the letter 3rd read above, the Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad has reported that the TCS has requested the Trust to consider the extension of commercial agreement beyond 19-8-2009 on high priority as it would allow the service provider to continue delivering IT services without interruption. He has also submitted a draft agreement copy.

4. The Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad has therefore requested to approve the following proposals as the maintenance and upgradation of portal is paramount and crucial to the implementation of the programme.

- i. To approve and ratify the changed plan of procurement of Hardware due to change in the scope and configuration.
- ii. To permit the CEO to extend the service agreement for 2009-10.
- iii. Approve the financial implication, payment milestones and authorize CEO to make payments accordingly from the administrative budget of Aarogyasri-II.
- iv. To authorize CEO to submit separate proposal for setting up a disaster recovery site for the portal in consultation with TCS.

5. The committee comprising of CEO and representatives from Finance, Health and IT departments earlier constituted to negotiate the TCS quote, met on 17-12-2009 and after having satisfied themselves of the reasonableness of the cost of all the items in the Annual Maintenance (software maintenance, new upgrades, new hardware and software), have recommended to approve the negotiated price of Rs.4.25 crores plus taxes as the best bargained price. The committee also satisfied themselves with the amended draft agreement with clear service levels defined.

PTO

::2::

6. Government after careful examination of the matter has decided to accept the proposal at para 4 and 5 above with the following conditions and accordingly the Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad is permitted to install additional Hardware and Software and extend the service agreement for one year from 20-8-2009 to 19-8-2010 at a cost of Rs.4,66,28,500/- (Rupees four crores sixty six lakhs twenty eight thousand and five hundred only) inclusive of taxes.

- i. The agreement shall be in the form of a Service Level Agreement with clear service levels defined for uptime, performance, software updates / upgrades and security etc and also penalties for deviations.
- ii. The detailed functionalities in the form of a FRS should be prepared by TCS for all the items mentioned therein. Definite time lines should also be specified for the different modules emanating out of the FRS. A third party audit through STQC, a Govt. of India organization, should be mandated so as to ensure that the software conforms to technical standards. Trust may withhold 10% Annual Maintenance charges till the audit is completed. The cost of STQC audit shall be paid by the Trust from the administration funds available with it under Aarogyasri-II.
- iii. As regards the 3rd party software and hardware, TCS shall be required to adopt a transparent and competitive procedure for procuring 3rd party software and hardware as required for the purpose.
- iv. TCS shall furnish the list of all 12 specialists working on the project and certify monthly that the services of these specialists were in fact utilized for the project.
- v. TCS shall avoid any duplication in maintenance and development of software and hardware of the scheme with STAR Health Insurance Company, as the same is also part of Insurance company responsibility under the Policy.
- vi. TCS shall report on monthly basis the progress achieved in the implementation of the project for review by the Trust.
- vii. TCS shall furnish monthly report on utilization of manpower and obtain prior consent of Trust, in case of any deviation.
- viii. TCS shall ensure that there would not be any duplicate charging among Insurance companies and the Trust.
- ix. Ownership: All the hardware and system software licenses shall be procured in the name of Aarogyasri Health Care Trust.
- x. Source code and documentation for the application exclusively developed for Aarogyasri project shall be provided as per the agreed deliverables. The Trust will own the IPR for the design, workflow and domain knowledge of the project, which will not be shared or used without the consent of the Trust. However, TCS shall continue to own the IPR of its framework (Digital Gov) and other productivity tools used for this project.
- xi. Implementation Plan: TCS shall draw up an implementation plan in consultation with Aarogyasri Trust and shall adhere to the timelines strictly.
- xii. Arbitration clause: An appropriate SLA clause shall be included in the Contract, the terms of which shall be mutually discussed between TCS and Aarogyasri Trust.

The Scope of Work, Milestone Description, breakup of the cost and payment schedule is as detailed below.

(Contd.3)

::3::

A. Scope of work

S.No.	Item	Amount (INR) Excluding Taxes
1	Annual Maintenance charge for the Aarogyasri portal that is already developed as part of the professional service	90,00,000
2	Software development charges of the new components as specified in the agreement along with their maintenance and support	1,60,00,000
3	Procurement and installation charges of 3 rd party system software and hardware as specified in the agreement.	1,60,00,000
4	Data center Support	10,00,000
5	Insurance of Hardware – Fire and natural disaster etc	5,00,000
	Total	4,25,00,000
	Taxes	41,25,500
	Total including taxes	Rs.4,66,28,500/-

8. For long term sustainability of the project, Chief Executive Officer, Aarogyasri Health Care Trust should further initiate the following action;

- i) To freeze the software application and take it over formally from T.C.S. including source code, design documents and entire documentation;
- ii) To issue an open RFP for selection of an agency for providing in future application maintenance support and IT services for the entire IT operations with clear service levels defined. The term may be fixed for 3 years. The RFP work may be completed within 6 months and successful partner inducted in 9 months with 3 months more for transition.
- iii) A separate unit (Project Monitoring Unit) shall be set up in the Trust to deal with the project and by meeting the expenditure from the budget for administration.

9. The Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad shall take necessary action in the matter accordingly.

10. This order issues with the concurrence of Finance Department vide therein U.O.No.11760/206/A1/Expr.M&HI.I/09, dt.31-10-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J.SATYANARAYANA
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad
Copy to
All the Trustee members (through CEO, Aarogyasri)
OSD to Minister (Aarogyasri).
P.S to Prl.Secy. to C.M.
The Finance (Expr.M&H-I) Dept.
The Revenue (CMRF) Department.
The Accountant General, A.P., Hyderabad
The Director of Treasuries and Accounts, A.P., Hyderabad
The Pay & Accounts Officer, Hyderabad.
P.S to Prl. Secy. to Govt., HM&FW Department.

//FORWARDED::BY ORDER//

SECTION OFFICER