

## **Letter of Award**

To,

M/s. ITI Limited,  
Corporate Marketing  
Unit F-84, ITI Complex,  
Dooravani Nagar,  
Bangalore – 560016.  
Fax: 08025667205.

Lr.No.CE/R-APDRP/SE/R-APDRP/EE-2/P.O.NO.2/F.ITIA/D 549/10 DT 14.10.2010.  
Attention: Mr. P.Mukhopadhyay Dy.General Manager – IS & IT

Sub: - Appointment as an IT Implementing Agency (ITIA) under Part – A of R-APDRP in TNEB for implementation of IT infrastructure to be executed in 110 towns of Tamil Nadu, 4 towns of Puducherry and 1 town of Andaman & Nicobar covered under the RFP – Letter of Award - reg.

References:-

1. TNEB RFP Identification No. R-APDRP/ITIA/2/2009 Single Stage –Two Envelope Selection Procedure dated 07.10.2009.
2. Corrigenda dated 31.10.2009, 30.12.2009 & 4.01.2010 in the RFP Identification No. R-APDRP/ITIA/2/2009 Single Stage –Two Envelope Selection Procedure dated 07.10.2009.
3. This Office LoI No. Lr.No: CE/R-APDRP/SE/R-APDRP/EE 2/F.ITIA/D 402/10 dated 20.08.2010.

Sir,

Tamil Nadu Electricity Board is pleased to accept your offer and place this Letter of Award (LOA) for appointment as IT Implementation Agency (ITIA) for the implementation of IT Infrastructure under Part – A of R-APDRP (RFP Identification No. R-APDRP/ITIA/2/2009 Single Stage –Two Envelope Selection Procedure dated 07.10.2009.) as per the terms and conditions laid down in the RFP, its various amendments issued by PFC and various other terms and conditions issued by MoP, Government of India and the PFC and the proposal submitted by you and along with the terms and conditions and specifications furnished in this Letter of Award.

**1. Name of the Project:**

IT Implementation under Part A of R-APDRP and as specified in the RFP Identification No. R-APDRP/ITIA/2/2009 Single Stage –Two Envelope Selection Procedure dated 07.10.2009.

**2. Name of the Utility:**

Tamil Nadu Electricity Board, NPKRR Maaligai, 144, Anna Salai, Chennai - 600002, India

Website: www.tneb.in

In this LOA, Utility/Purchaser means TNEB, Chennai, India.

**3. Name of the IT Implementation Agency:**

In this LOA ITIA/System Integrator/Supplier means M/s. ITI Ltd. in consortium with M/s. Navayuga InfoTech Private Limited, this is also a GSP partner along with Analogics Tech India Ltd as MDAS and M/s. IBM India Private Ltd as NSP.

**4. Eligible Goods and Related Services:**

For the purpose of this Clause, the term “Goods” includes hardware, software, networking equipments, bandwidth and cables; and “Related services” includes services such as insurance, transportation, associated documentation, installation, customization, integration, field survey, testing and commissioning, training, technical support, maintenance, repair and other necessary services to be provided by the selected bidder and necessary for successful implementation of the project as specified in the contract.

**5. Acceptable Bank:**

All bank related documents should be submitted only from a Nationalized/ Scheduled Commercial Bank as notified by Reserve Bank of India.

**6. Contract Price:**

The Total Contract Price is INR is Rs.307,27,53,597 (Rupees Three hundred and seven crores twenty seven lakhs, fifty three thousand, five hundred and ninety seven) inclusive of all taxes, duties & other incidental charges as detailed in Annexure 2: General Conditions of Contract and Annexure 3: Special Conditions of Contract enclosed here with.

Abstract of the price breakup is enclosed in Annexure 5: Price Schedule.

**7. Terms of Payment:**

The ITIA should submit bills in triplicate to the Controlling Officer and Nodal officer (as per clause 17 here with) with all supporting documents as indicated in the relevant clauses of GCC and SCC and Payment milestone for releasing the payment.

The bills are to be certified jointly by the Controlling Officer & Nodal Officer of the work and by the Supervising Officer of the Work (as per clause 18 here with) after getting completion certificate of the work from the concerned Site Officers and Consignee Officers of the work (as per clause 20 & 21 here with).

All payments under this LoA shall be made by Crossed Account Payee Cheque drawn in favour of M/s. ITI Ltd.

Terms of payment mentioned in RFP and all Corrigendum’s will be applicable along with this LoA.

Terms of payment are detailed in Annexure 2: General Conditions of Contract and Annexure 3: Special Conditions of Contract enclosed here with.

**8. Advance Payment:**

10% Advance of the contract price excluding FMS charges and Bandwidth charges and Sales & Service tax will be made against Bank Guarantee of the equivalent amount to be submitted by ITIA from any Nationalised/Scheduled Commercial Bank as notified by Reserve Bank of India, in favour of Chief Engineer /R-APDRP, NPKRR Maaligai, 144, Anna Salai, Chennai - 600002, India. This Advance will be adjusted in the final bill. The validity of the Bank Guarantee shall be initially for a period of Twenty Four months from the date of issuance of LoA with a claim period of Three months thereafter. Details are indicated in Annexure 3: Special Conditions of Contract clause GCC 14.1 enclosed here with. This Bank Guarantee shall be extended as mutually agreed upon, if situation requires.

The Advance Bank Guarantee should be submitted strictly as per prescribed format enclosed here with in Annexure 4-D: Contract Forms.

## **9. Performance Security:**

ITIA shall furnish a Bank Guarantee from any Nationalised/Scheduled Commercial Bank as notified by Reserve Bank of India. towards Performance Security as per clause 16 of General Conditions of Contract enclosed here with as Annexure 2, in favour of Chief Engineer / R-APDRP, NPKRR Maaligai, 144, Anna Salai, Chennai - 600002, India, within 14 days of the dated of issue/receipt of this LoA.

The Bank Guarantee amount shall be equal to 10% of the total contract price i.e. for INR Rs.307, 27, 53,597 /-(Rupees Three hundred and seven crores twenty seven lakhs, fifty three thousand, five hundred and ninety seven only) in accordance with the terms and conditions as specified in Annexure 2: General Conditions of Contract and Annexure 3: Special Conditions of Contract enclosed here with.

The Performance Security shall be valid upto Five Years from the signing of contract with a claim period of Three months thereafter.

The Performance Bank Guarantee should be submitted strictly as per prescribed format enclosed as Annexure 4-B: Contract Forms.

## **10. Contract Agreement:**

A contract agreement has to be executed by the ITIA within 14 days from the date of receipt of this order, in the prescribed format enclosed as Annexure 4-A: Contract Forms, in Tamil Nadu State Government Stamp paper worth INR 100/- (Indian Rupees Hundred only) along with performance security.

All the documents cited in clause no. 30 here with will form part of the agreement.

## **11. Taxes & Duties:**

The Contract Price as indicated in clause 6 here with is inclusive of all Taxes and Duties. Taxes & Duties are detailed in the clause no. 15 of Annexure 2: General Conditions of Contract enclosed.

## **12. Freight and Insurance:**

Freight and Insurance charges for transportation of material to the project sites have been included in the total Contract Price in clause 6.

Transit risk Insurance for the materials/Equipment from ITIA works/ ITIA sub-suppliers works to destination project sites and upto complete installation and commissioning will be arranged by the ITIA at their own cost. TNEB will not entertain any charge for the same.

Refer Annexure 2: General Conditions of Contract and Annexure 3: Special Conditions of Contract enclosed here with.

As per the PFC guideline, for converting the loan granted to utility as grant, utility needs to complete the work within 3 years from the date of approval of DPR. To assure this ITIA should complete the work within 18 months from the date of award of LoA.

## **13. Liquidated Damage:**

Except as specified in GCC clause 30, enclosed as Annexure 2, if the ITIA fails to deliver any or all of the Goods or perform the Related Services within the period specified in the Contract as per work schedule in Annexure 6, then, TNEB may without prejudice to all its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to 0.5% of the value of the Goods or Related

Services, supplied beyond stipulated delivery schedule for each week or part thereof of delay until actual delivery or performance, subject to a maximum of 10% of value of such goods and services.

In addition, the ITIA is liable to the TNEB for payment of penalty as specified in the Service Level Agreement (SLA) as enclosed in Annexure 4-C: Contract Forms.

If the Goods and Related Services supplied do not meet the minimum specifications as per the Contract, and the same is not replaced/modified by the ITIA to meet the requirements within 14 days of being informed by TNEB, TNEB shall be free to impose any penalty as deemed fit. In addition, TNEB shall reserve the right to terminate the contract and recover liquidated damages by forfeiting the performance guarantee submitted by the ITIA.

**14. Work Completion Schedule:**

The time of completion of the work is the essence of the contract. The entire work is to be completed strictly in accordance with the Work Schedule enclosed as Annexure 6.

**15. Warranty:**

The warranty for this project will be guided strictly in accordance with General Conditions of Contract and Special Conditions of Contract enclosed as Annexure 2 and Annexure 3.

**16. Termination of Contract:**

Termination of Contract will be guided strictly in accordance with General Conditions of Contract and Special Conditions of Contract enclosed as Annexure 2 and Annexure 3.

**17. Controlling Officer & Nodal Officer of the work:**

**18. Supervising Officer:**

**19. Paying Authority:**

DFC/Central Payment, TNEB will be the Paying Authority for this Letter of Award. Bills duly certified as per clause 7 of LoA here with, are to be forwarded to the Paying Authority for releasing the payment against this Letter of Award.

**20. Site Officers:**

To be intimated latter.

**21. Consignee & Contact Person:**

To be intimated latter.

**22. Supervising officer:**

Superintending Engineer/R-APDRP

**23. Effectiveness of Contract:**

This Contract (ie) LoA shall come into force and effect from the date of award of contract to the ITIA.

**24. Progress Report:**

The ITIA shall submit weekly progress report or as per mutually agreed work performance report to all concerned personnel of this engagement in connection with this order, with a copy to this office. The SE/R-APDRP of TNEB will co-ordinate and monitor all activities of the project.

These progress report format may be changed as and when required by TNEB.

## **25. Experts**

The experts cited in the technical proposal must be available for the work throughout the period of this engagement. Any change of these personnel due to unavoidable circumstances shall be made with the prior approval of TNEB. Refer to Annexure 7 of LoA for details.

## **26. Work Plan**

The ITIA shall prepare a detailed week wise work plan for implementation of this project for TNEB's approval. Any change to the approved work plan due to unavoidable circumstances shall be made only with the prior approval of TNEB.

## **27. Bandwidth Services**

- As per the PFC Guidelines released on 6/11/2009. The procurement of bandwidth will be done by TNEB directly. However, the ITIA is to recommend the Bandwidth requirements as per their proposed solution and negotiate with the respective NSP/ISP on behalf of TNEB. The quoted price in this LOA includes bandwidth charges for five years from the date of go live of the entire project for all the 110 towns.
- The bandwidth specified in the RFP and all subsequent corrigenda is the minimum requirement for the utility. It is ITIA's responsibility to determine the actual bandwidth size in discussion with the utility. Necessary aggregated bandwidth at Data Centre end for the Meter Data Acquisition System (for GPRS Connectivity) for all the 110 towns should also be considered.
- A separate tripartite agreement has to be signed between TNEB, ITIA and NSP/ISP, if required.
- At the time of making payment to the NSP/ISP, if there is any additional price to be paid to NSP/ISP than the price quoted by ITIA, then the difference in the price will have to be borne by ITIA. Also if the value is low at the time of invoicing, then TNEB will pay the actual value.
- Any additional bandwidth requirement, if needed to meet the contractual obligations, then the extra cost would have to be borne by the ITIA.
- The bandwidth charges will be reviewed on yearly basis based on the actual tariff announced by the NSP/ISP.
- Further, any downward trend in the market price should be passed on to TNEB.

## **28. Hardware Specifications:**

The vendor should provide the detailed specifications of equipment, design calculation, server sizing to satisfy the owner. As the designing of the data center and meeting the performance criteria is the responsibility of bidder the approval of drawing and design calculations does not absolve the vendor from its responsibility of meeting the performance standard. In case offered design of data center is different than the design philosophy laid down in the document the vendor should clearly brought out the deviations and demonstrate the offered solution is superior to the prescribed guideline and all necessary literature documentation shall be provided by vendor to support his claim.

## **29. Licensing Policy:**

ITIA should provide TNEB with Enterprise Wide (for entire TNEB, or sister companies within the state of Tamil Nadu) Licenses for unlimited users and unlimited time for all applications. However the ITIA shall provide software upgrades and support for a period of 5 years from the date of "Go Live" of the entire project.

### 30. References:

- 1) TNEB RFP Identification No. R-APDRP/ITIA/2/2009 Single Stage –Two Envelope Selection Procedure dated 07.10.2009.
- 2) Corrigenda dated 31.10.2009, 30.12.2009 & 4.01.2010 in the RFP Identification No. R-APDRP/ITIA/2/2009 Single Stage –Two Envelopes Selection Procedure dated 07.10.2009.
- 3) Your Technical Bid Response opened on 20.01.2010
- 4) Lr.No.SE/APDRP/EE 2/ F.ITIA/D.NO. 05/10,DT, 06.01.2010.
- 5) Lr.No.SE/APDRP/EE 2/ F.ITIA/D.NO.12 /10,DT,11.01.2010.
- 6) Lr.No.CE/PLG&RC/SE/APDRP/EE2/ F.ITIA/D.NO.16/10,DT,13.01.2010.
- 7) Lr.No.CE/ PLG&RC /SE/APDRP/EE2/ F.ITIA/D.NO.27/10,DT,23.01.2010.
- 8) Lr.No.CE/ PLG&RC /SE/APDRP/EE2/ F.ITIA/D.NO.47/10,DT,29.01.2010.
- 9) Live demonstration conducted at TNEB Headquarters on 02.02.2010.
- 10) Lr.No.CE/ PLG&RC /SE/APDRP/EE2/ F.ITIA/D.NO.113/10,DT,12.03.2010.
- 11) Your Lr.No.ITI/ROC/IT/TNEB/R-APDRP/DT.17.03.2010.
- 12) Lr.No.CE/ PLG&RC /SE/APDRP/EE2/ F.ITIA/D.NO.153/10,DT,08.04.2010.
- 13) Your Lr.No.ITI/ROC/IT/TNEB/APDRP/DT.09.04.2010.
- 14) M/s. IBM letter dt. 17.05.2010 authenticated by M/s. ITI Ltd.
- 15) Lr.No.CE/ PLG&RC /SE/APDRP/EE2/ F.ITIA/D.NO.250/10,DT,03.06.2010.
- 16) Your Lr.No.ITI/ROC/IT/TNEB/APDRP/DT.04.06.2010.
- 17) Lr.No.CE/ PLG&RC /SE/APDRP/EE2/ F.ITIA/D.No.266/10,DT,10.06.2010.
- 18) Lr.No.CE/ PLG&RC /SE/APDRP/EE2/ F.ITIA/D.No.278/10,DT,11.06.2010.
- 19) Lr.No.CE/ R-APDRP/SE/R-APDRP/EE-2/F.ITIA/D.No.378/10,DT,30.07.2010.
- 20) Price bid opened on 02.08.2010

Yours faithfully,

S/d.14.10.2010  
(S.SRINIVASA SITA)  
CHIEF ENGINEER/R-APDRP

Copy submitted to the Member (Distribution)(I/c)/TNEB.  
Copy to the Chief Engineer / IT for information  
Copy to the Chief Engineer /Planning & Resource Centre  
Copy to all the Chief Engineer /Distribution Region  
Copy to all Superintending Engineers/EDC  
Copy to Superintending Engineer/Chairman's office  
Copy to Chief Internal Audit Officer/Chennai -2  
Copy to Resident Audit Officer/Chennai -2  
Copy to Chief Financial Controller/General/Chennai -2.  
Copy to Deputy Financial Controller/Central Payment/Chennai -2.