



Department of Commerce
Ministry of Commerce and Industry
Government of India



GeM
Government
e Marketplace

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY

DIRECTORATE GENERAL OF SUPPLIES AND DISPOSALS

Jeevan Tara Bhavan, 5 Sansad Marg, New Delhi

REQUEST FOR PROPOSAL

Selection of Managed Service Provider (MSP)

for

Design, Development, Implementation, Operation &
Maintenance of Government e-Marketplace (GeM)



RFP Number: Consultant Engagement/2/2017/Rnl/001

Corrigendum-2

20-April-2017

This corrigendum is issued by DGS&D.

This Corrigendum to RFP for “Selection of Managed Service Provider (MSP) for Design, Development, Implementation, Operation & Maintenance of Government e-Marketplace (GeM)” provides details of all the changes made to the main clauses in the RFP. Other clauses which will undergo a change due to consequential effect of the changes made to the main clauses or due to new clauses added are not mentioned here. These changes shall be made in the RFP and an updated RFP will also be made available in due course.

The information contained in this Corrigendum is selective and is subject to updating, expansion, revision and amendment at the sole discretion of the DGS&D

The timelines for submission of proposals shall not be extendable solely on grounds of sharing of the amended RFP by DGS&D.

#	RFP clause reference	Revised Principle																					
1.	Vol-1: Section 8: Financial Model for MSP & Payment Schedule	<p>The concept of EVO and PVO stands deleted. The revised concept is given below and is based on standard slabs for each year</p> <table border="1"> <thead> <tr> <th>Slab #</th> <th>Slab for a year (INR Cr)</th> <th>Grading % of P</th> </tr> </thead> <tbody> <tr> <td>Slab-1</td> <td>0 to 50,000</td> <td>100.00%</td> </tr> <tr> <td>Slab-2</td> <td>50,000 to 1,00,000</td> <td>80.00%</td> </tr> <tr> <td>Slab-3</td> <td>1,00,000 to 1,50,000</td> <td>70.00%</td> </tr> <tr> <td>Slab-4</td> <td>1,50,000 to 2,00,000</td> <td>60.00%</td> </tr> <tr> <td>Slab-5</td> <td>2,00,000 to 2,50,000</td> <td>50.00%</td> </tr> <tr> <td>Slab-6</td> <td>>2,50,000</td> <td>X% **</td> </tr> </tbody> </table> <p><i>** If the Actual Number of Orders in any year goes beyond INR 2,50,000 Crore in that year, the MSP shall be paid on the percentage “X” decided by the SPV Board.</i></p>	Slab #	Slab for a year (INR Cr)	Grading % of P	Slab-1	0 to 50,000	100.00%	Slab-2	50,000 to 1,00,000	80.00%	Slab-3	1,00,000 to 1,50,000	70.00%	Slab-4	1,50,000 to 2,00,000	60.00%	Slab-5	2,00,000 to 2,50,000	50.00%	Slab-6	>2,50,000	X% **
Slab #	Slab for a year (INR Cr)	Grading % of P																					
Slab-1	0 to 50,000	100.00%																					
Slab-2	50,000 to 1,00,000	80.00%																					
Slab-3	1,00,000 to 1,50,000	70.00%																					
Slab-4	1,50,000 to 2,00,000	60.00%																					
Slab-5	2,00,000 to 2,50,000	50.00%																					
Slab-6	>2,50,000	X% **																					
2.	Vol-1: Section 8: Financial Model for MSP & Payment Schedule	<p>The post Go-live payment clause has been amended. Now, the quarterly payment amount post Go-live shall be arrived at by adding (25% * P * value of orders placed during the quarter) + (75% * P * payments made by the buyers to the seller during the quarter)</p> <p>At the time of termination or expiry of the contract, the fee payable would be limited to the aforesaid 25% fee in relation to the orders placed till the date of termination or expiry.</p>																					
3.	Vol-1: Section 4.3: Performance Bank Guarantee (PBG)	The PBG clause has been amended. Now, successful bidder will need to submit only one PBG. Value of PBG would be 10% of (INR 3,70,000 Crores * P%).																					
4.	Vol-2: Section 2.10: Commercial Bid	The following clause is deleted: Commercial proposals that are less than 30% of the average bidding parameter value will be disqualified. The average bidding parameter value is computed by adding the total commercial bidding parameter values of all the qualified bidders and dividing the same by the number of bidders.																					
5.	Vol-2: Section 8.2: Commercial Bid	The commercial bid format has been amended. The new format is enclosed as Appendix-1.																					

#	RFP clause reference	Revised Principle
	Format	Note: The bid is including all taxes except Service tax/ GST
6.	Vol-3: Section 14: Indemnification and Limitation of Liability	Limitation of Liability clause has been amended. Now, the Limitation of liability is capped at the higher of (a) 50% of the amount calculated at INR 3,70,000 Crores * P%; or (b) actual pay-out to the MSP, calculated at the time of arising of any event of default/incident/cause of action.
7.	Vol-3: Section 13: Events of Default, Termination and Suspension	The Termination for convenience clause has been amended. Reasonable and fair value of sunk in cost of the MSP shall be payable upon termination for convenience by the Purchaser.
8.	Vol-3: Section 14.4: Risk Purchase	The risk purchase clause has been amended. Now, the incremental cost to be paid under risk purchase will be limited to the higher of (a) 100% of the value of the services/deliverables/obligations which the MSP has failed to perform/provide OR (b) 30% of INR 3,70,000 Crores * P%. This cap will be applicable on each incident. The risk purchase clause in Change Control section will also be limited to the above extent.
9.	Vol-3: Section 24.14: Conflict of Interest	Following clause has been amended: Conflict of Interest: COI clause shall exclude offer of goods and services by the MSP on GeM portal provided the following are met: (a) MSP shall provide complete and full disclosure of its (or any of its parent of subsidiary or affiliate company) interest in any goods and services MSP proposes to offer on the GeM Portal to the Board of Directors of the GeM SPV or DGS&D (as applicable) along with a plan which enumerates the measures put in place by the MSP to ensure that such goods/services would not get any special / preferential treatment on the portal and would be treated at par with goods and services offered by other sellers; (b) MSP shall follow any reasonable process or direction issued by the GeM SPV to ensure fairness, competition and transparency in relation to goods and services being proposed to be offered by the MSP; The interest mentioned above includes, without limitation, any interest by way of an agreement the nature of which is to promote goods and services of any particular seller. It is the intention of the parties that the GeM SPV and the MSP will, within 120 days of Go-Live, mutually agree on a standard process which the MSP will need to follow before offering its (or any of its parent of subsidiary or affiliate company) goods and services on the GeM portal.
10.	Vol-1: Section 5.4.9: Marketing & Promotion of GeM	Following clause has been amended: Marketing & Promotion Activities MSP is at liberty to invest in marketing & promotion activities keeping in view the overall feasibility and viability of the business. However, the MSP shall have to invest a minimum of 5% of the total revenue in the marketing & promotion activities. MSP shall prepare a comprehensive marketing & promotion activities plan and budget for the overall engagement period of 5 years. This plan need to consider higher budget allocations in the initial years

#	RFP clause reference	Revised Principle
		and subsequently tailor the plan to remain within the overall 5% commitment of the total revenue towards marketing & promotion activities. This plan and budget would require to be approved by GEM SPV from time to time.
11.	Vol-1: Section 5.4.9: Marketing & Promotion of GeM	<p>Following clause has been added:</p> <p>Revenue from advertisement</p> <p>MSP will strive to generate additional revenue from advertisements on the GEM portal. GEM SPV will approve and enter into contracts with the advertisement agencies. MSP shall be paid 25% of the revenue generated by the MSP from such advertisements.</p>
12.	Vol-1: Section 7: Implementation Schedule	The implementation schedule has been amended. For 3 months post Go-live the SLA penalty will not be applicable. This period has been provided for the MSP to stabilise the systems and operations. MSP will also have to get the final STQC certification during this phase of SLA penalty waiver.
13.	Vol-1: Section 5.3.3: Cloud Provisioning & Commissioning	<p>The clause related to Government Community Cloud (GCC) has been amended.</p> <p>The MSP will have to move the GeM solution to GCC within a period of two years. GeM SPV will have the sole discretion to extend the period basis upon the overall adoption of Cloud in the government and other directives by GOI and regulatory bodies.</p>
14.	Vol-1: Section 5.5.1: Guidelines for staffing and provisioning of manpower	<p>In addition to the existing clause, the following has been added/ amended:</p> <p>The key resources have been defined. List of Key Resources is defined in Appendix-2. The Key Resources are expected to be placed onsite for the entire duration of the project. The remaining resources may be placed in the MSP's premises.</p> <p>The MSP is free to deploy additional resources over and above the minimum resources required as per the RFP.</p>
15.	Vol-2: Section 3.5: Pre-Qualification Criteria	<p>In addition to the existing clause, the following clause regarding the agreement between MSP & CSP has been added:</p> <p>Bidders must enter into definitive sub-contract agreement with the CSP and submit the same. The agreement may state that it would automatically terminate without any rights and liabilities between bidder and CSP in case the work is not awarded to the bidder. Commercial of the agreement may be masked and submitted. Back end MOUs may be executed between the parties provided such back end MoUs do not override the terms of the sub-contract agreement.</p> <p>Subcontracting to CSP is not mandatory. If the MSP wants to provide the services of the CSP, then it must also meet the pre-qualification criteria mentioned in the RFP for CSP.</p>
16.	Vol-2: Section 2.1: Eligible Bidders	<p>The sub-contractor clause has been added.</p> <p>The following activities are allowed to be taken from a sub-contractor/performed by a sub-contractor:</p> <ul style="list-style-type: none"> ▪ Cloud Services ▪ GeM Contact Centre & Helpdesk Operations <p>MSP shall be responsible for performance of its nominated sub-contractor(s). MSP needs to mention details of any sub-contracting proposed in the bid along with name of sub-contractor and activity assigned. Any change in sub-contractor(s) at later date will be allowed only after approval of the Purchaser.</p>

#	RFP clause reference	Revised Principle
17.	New Clause	<p>Following clause has been added:</p> <p>Deliverable acceptance</p> <p>If GEM SPV fails to intimate acceptance of the deliverables or its objections to MSP within a period of seven working days from receipt of the deliverable, the deliverable will be considered to be accepted by the GEM SPV.</p>
18.	Vol-1: Section 5.2.5 Operation & Maintenance of existing GeM system	<p>The scope for work related to running GeM has been clarified.</p> <p>For the existing GeM, any recurring/operational/running cost for maintaining the system shall be borne by GeM SPV. However, any recurring/operational/running cost for maintaining the new GeM shall be borne by MSP.</p>
19.		<p>Following details are provided for information only.</p> <ul style="list-style-type: none"> • There is no minimum guarantee of the value of transaction that the purchaser will provide. • Updated SLAs will be included in the updated RFP.

Appendix-1: Commercial Bid Format

Particulars	P (in %)
Bidding Parameter%
Value (in Words)	...

Note:

1. This Bidding Parameter (P) shall **NOT BE MORE THAN 0.5%**. The Bidders shall quote the Bidding Parameter lower than this specified value.
2. The Bidding Parameter Value (P) will include all duties, levies, taxes, etc. except Service Tax/ GST.

Appendix-2: Key Resources

The below table includes the list of key resources:

#	Profile/ Position	Number of resources
1.	Project Director - GeM	1
2.	Program Manager - Business Services	1
3.	Project Manager - Seller Management	1
4.	Consultant - Registration	2
5.	Consultant - Contract Management	2
6.	Consultant - Business Process	2
7.	Consultant - Catalogue & Specs	1
8.	Consultant - Product Management	1
9.	Consultant - Marketing & Promotions	10
10.	Project Manager - Buyer Management	1
11.	Consultant - Payment & Delivery	1
12.	Consultant - Vendor Rating	1
13.	Manager - Business Processes	1
14.	Business Analyst - Workflow	2
15.	Business Analyst - Payments Integration	1
16.	Manager - eCommerce Marketplace	1
17.	Sr Consultant - eCommerce	2
18.	Business Analyst - eCommerce	2
19.	Manager - Inspection & Quality Testing	1
20.	Consultant - Inspection	2
21.	Consultant - Quality & Testing	2
22.	Manager - eProcurement Services	1
23.	Business Analyst - eProcurement	1
24.	Sr Consultant - eProcurement	1
25.	Manager - Catalogue & Content Design	1
26.	Consultant - Content Writer	2
27.	Consultant - Catalogue Design	2
28.	Consultant - Editing	1
29.	Regional Manager - Business Services	4
30.	Consultant - Buyer & Seller Management	8
31.	Program Manager - Technical Services	1
32.	Project Manager- Technology	1

#	Profile/ Position	Number of resources
33.	Manager- Network	1
34.	Manager - Database	1
35.	Manager - Cloud Services	1
36.	Manager- Security Services	1
37.	Manager - DW & BI	1
38.	Manager - CRM	1
39.	Manager - Website & Content Manager	1
40.	Manager - Quality Assurance & Testing	1
41.	Manager - Service Support	2
42.	Chief Technology Architect	1
43.	Enterprise Architect	1
44.	Application Architect	1
45.	Solution Architect	1
46.	Database Architect	1
47.	Network Architect	1
48.	Security Architect	1
49.	Head- Legal Matters	1
50.	Manager - Contract Administration	1
	Total Key Resources	80