

**GOVERNMENT OF PUNJAB
DEPARTMENT OF INFORMATION TECHNOLOGY
S.C.O.No.193-195, SECTOR 34-A, CHANDIGARH**

Notification

The 18th February, 2003

No.1/48/2003-SGII/DSIT/619- The Governor of Punjab is pleased to make the policy regarding Acquisition and Disposal of Information Technology Resources in Government of Punjab as under:-

1. POLICY

1.1. PURPOSE: The purpose of this policy is to provide requirements for the acquisition of information technology (IT) resources which:

1.1.1. Meet Departments' functional & business needs while providing **timeliness, cost efficiency and flexibility** in the acquisition process.

1.1.2. Allow Departments to obtain the **best value for money** by considering multiple alternatives, giving consideration to a range of **technical factors, functional & business requirements and the quality**.

1.1.3. Promote fair and open competition.

Promote the use of open, vendor-neutral specifications and standards to ensure that acquisitions support Department strategic directions and the Punjab **State Technical Standards (STS)**.

1.2. SCOPE: This policy applies to the acquisition of all **information technology resources and purchase services** regardless of the sources of funds, sources of supply or the intended use or purpose of the acquisition. This policy shall apply to **all the Government Departments and also serve as policy guidelines for the Public Sector Undertakings and other Government & Semi-Government Institutions under the Departments of the State of Punjab**. The **scope includes:-**

- Departments that operate, manage or use stand-alone, shared or network-attached computers and Information Technology Products.
- Departments that operate, manage or use **data, video or voice**

(Packet switching only) telecommunications equipment, networks and/ or **Information Technology services**.

- Departments that purchase **Information Technology products or telecommunications network services** from other commercial sources.

The acquisition methods are intended to be flexible and adaptable as circumstances warrant provided that all departments' modifications adhere to the provisions of Department of Information Technology standards and requirements for acquisitions.

1.3. POLICY STATEMENTS

1.3.1. The **primary responsibility for the management and use** of information systems, information technology equipment, software, services and telecommunications **rests with each state Department concerned**.

1.3.2. **The Departments may purchase, lease, rent, or otherwise acquire** and maintain equipment, proprietary software and purchase services including those acquisitions that are part of a project under supervision of the Department of Information Technology **with the Technical Sanction (TS) of Department of Information Technology** .

1.3.3. **Departments are expressly prohibited from acting without the Technical Sanction (TS) of Department of Information Technology**. Departments are not exempted from the State Technical Standards when conducting acquisitions within their Department under some other delegated authority.

1.3.4. **Departments concerned will, however, be responsible for issuing the Administrative Approvals (AA) and Financial Sanctions (FS)** for the implementation of Information Technology projects in respect of their Departments as per the administrative & financial authority delegated at each level under the Standing Orders of the Department concerned. The Departments would keep the following points in mind while issuing such sanctions:

1.3.4.1. **The Department has completed a Strategic Information Technology Plan (SITP) duly**

approved by the Department of Information Technology that defines a foundation for Department's technology acquisitions and infrastructure, e.g., strategic planning for state wide deployment of systems.

1.3.4.2. Funds are available either as part of the Department's own budget process or have been allocated by the Department of Information Technology.

1.3.4.3. The plans and proposals for acquisitions for information products and services should be **reviewed by the Department from administrative, financial and management perspective.**

1.3.4.4. The Department follows an **acquisition process which ensures open competition and accountability** for purchases and expenditures and which adheres to the provisions of this policy as reviewed by the Department of Information Technology from time to time; and

1.3.4.5. **The Department follows the State Technical Standards (STS)** laid down by the Department of Information Technology except under those circumstances-described by the Department and approved by Department of Information Technology which warrant waivers to the **State Technical Standards (STS).**

1.3.5. For all acquisitions relating to the Information Technology products and services, Departments are **subject to the procedure to be laid down by this Department.** The **Technical Sanction (TS)** of Department of Information Technology is required prior to proceeding with the acquisition process provided funds are available for this purpose either in the Department concerned or the Department of Information Technology has earmarked funds in its budget for this

purpose.

- 1.3.6. **The approval of Empowered Committee on Computerization (ECC)** as constituted in Department of Information Technology **is required for implementation of the projects where the total estimated cost of the project is greater than Rs.5.0 Crore.** Such approvals must be obtained prior to conducting the acquisition and prior to the release of any formal Supply Order document.
 - 1.3.7. **Acquisition methods are intended to be flexible and adaptable as circumstances warrant,** provided that all Departments adhere to the provisions of Department of Information Technology standards and requirements for acquisitions.
 - 1.3.8. While evaluating various bids / proposals for acquisition of **Information Technology resources due weightage may be given to the technical factors** in addition to the financial bids while evaluating a bid to ensure maximum value for money for the Government. However, the criteria for according such weightage should be clearly spelt out in the tender document and duly approved by the Department of Information Technology.
- 1.4. Under this policy the departments may use one or more of the following methods for the acquisition of IT products and services depending upon the requirements in consultation with the Department of Information Technology:
- 1.4.1. **Competitive Bidding**
 - 1.4.1.1. **Open Competitive Bidding** by following the guidelines of Department of Information Technology issued from time to time.
 - 1.4.1.2. **By selecting an IT Product vendor from the approved list of vendors** to be notified by Department of Information Technology **short listed on the basis of open competitive bidding and a pre-qualification criteria. The vendor**

would be selected through restricted competitive bidding out of the short-listed vendors.

1.4.2. Existing Contracts

1.4.2.1. **Rate Contracts (Master Agreement) entered into by the Department of Information Technology** for certain categories of items to be specified by the Department of Information Technology through open competitive bidding. Only Department of Information Technology would be **competent to create Rate Contracts / Master Agreements** in respect of Information Technology resources.

1.4.2.2. **By selecting a Turnkey Solution Provider (TSP)** from the approved list of TSPs to be notified by the Department of Information Technology on pre-fixed rates **which are short listed on the basis of open competitive bidding and a pre-qualification criteria** to be prescribed by the Department of Information Technology.

1.4.2.3. **Existing Contracts:** Departments may use existing contracts/ rates established by other Departments including the Central government/ Institutions/ Bodies subject to the procedure to be specified by the Department of Information Technology.

1.4.3. Corporate Agreements

1.4.3.1. **Corporate Agreements may be negotiated and administered by Department of Information Technology with the Principal / original manufacturer, dealer or provider of information technology products or services** where significant advantages will result to the state Government when Department of Information Technology uses its leverage as a single point

buyer for the Government of Punjab. The resulting products and services shall be available to all Departments at the rates negotiated under the Corporate agreement without the necessity of using one of the other approved acquisition processes. Products and services may also be **available to local governments and other Government & Semi-Government Institutions** if their regulations so allow.

1.4.3.2. **Proprietary products and services would be acquired as per the procedure to be specified by this Department provided there is distinct technical or economic advantage;** or Compatibility with the current installed base.

1.4.4. **Other Methods**

1.4.4.1. **Inter Departmental Transfer of IT resources** on the book value. This means that the Department may club their requirements for IT products and services for a competitive advantage while acquiring IT products and resources

1.4.4.2. **Other means as appropriate under the rules** framed from time to time by the competent authority in Department of Information Technology.

1.4.4.3. **Private Sector Strategic Partnership, which would be entered into with the approval of the Department of Information Technology** on a case-to-case basis. However, the **Higher education and Research & Development (R&D) institutions may enter into such strategic partnerships** for academic purposes with the approval of their competent authority and **without the approval of the Department of Information Technology.**

1.4.5. **Departments may specify a brand-name product** as a requirement in the approved acquisition processes listed

above if the specified product satisfies one or more conditions including but not limited to the following:

1.4.5.1. **Uniquely satisfies a Department's business or functional needs;** or

1.4.5.2. It is specified under the **State Technical Standards/ common standards.**

1.4.5.3. **High quality standards, availability, robustness, scalability or reliability are of primary concern** because of the critical nature of applications or usage. For example, the main application, mail, database or Intranet Servers of the Department, the UPS for the critical equipment, the critical communication equipment, etc.

1.4.5.4. **Is compatible with the current installed base;** or

1.4.5.5. **A law, agreement or grant funding requires a product;** or

1.4.5.6. Assists in **recovery from a disaster.**

1.4.6. Up-gradation and/or Buy Back Scheme: The department may upgrade the existing IT products or procure under buy back scheme new products with the required new configuration in the market from short listed vendors approved by Department of Information Technology through restricted bidding or through the open bidding as per Annexure B.

1.4.6.1. Keeping in view the average life period of IT product to be 3 to 5 years depending upon its intensity of usage, serviceability, technology and other related factors, the department may procure the latest products of required configurations at the discounted price, the discount being more than the reserve price of the IT product, under the buy back scheme. The reserve price of the existing IT products may be got assessed through a Committee constituted by the Department concerned in consultation with the Department of Information Technology.

1.4.6.2. The other options for procuring the latest IT

products depending upon the requirement is to transfer the existing obsolete systems in working order to any other department or educational institutes where they can be effectively utilized for their internal usage i.e. training, etc.

Open competition, cost efficiency, timeliness, open standards, conformity to common State Standards, responsiveness to the needs of the client Departments and the protection of the financial, technical and other interests of the State Government are the hall marks of this proposed policy.

1.5. POLICY EXCEPTIONS

- 1.5.1. The procedure of Technical Sanction would not apply to cases where IT Auditors have been engaged by the concerned department in consultation with Department of Information Technology. In such cases, one of the representatives of Department of IT would, however, be involved throughout the entire process of IT deployment.
- 1.5.2. All IT proposals for procurement of material below the limit of Rs. 50,000 would not require the Technical Sanction from the Department of Information Technology. In such cases the concerned Administrative Secretary would be competent to issue the Technical sanction.
- 1.5.3. Wherever the concerned Department already has Personal Computers (PCs) and wants to buy the essential accessories like printer, UPS, scanner, CD writer, etc. below a value of Rs. 50,000, for all such items no Technical Sanction would be required from the Department of IT.
- 1.5.4. Departments are allowed without limitation to acquire information technology **process control equipment**.
- 1.5.5. Departments are allowed without limitation to acquire information technology resources **in emergency situations** when it is necessary to restore existing levels of operation following a disaster such as fire, flood, earthquake, vandalism, or theft, provided that the acquisitions are for the purchase of services and equipment **to restore operations and replace**

equipment similar to the inoperative equipment.

- 1.5.6. **Higher education and Technical Education institutions** have authority without limitation to acquire information technology resources for academic and research applications.

1.6. Effective Date

- 1.6.1. This policy will be applicable with immediate effect.
- 1.6.2. In case of all projects where tenders have been called prior to the issuance of this policy, the implementation of the project may be completed under the existing rules under which they were being governed prior to the issuance of this policy.

1.7 RESOLUTION OF COMPLAINTS AND PROTESTS:

- 1.7.1 **Complaints:** Companies may submit their complaints to a Department prior to responding to a bidding document if a company believes the **bidding document unduly constraints competition or contains inadequate or improper criteria.**
- 1.7.2 The complaint shall be made in writing to the Departments before the due date of the bidding response. The Department bidding process may continue.
- 1.7.3 A copy of the complaint shall be forwarded to Department of Information Technology by the receiving Department without delay.
- 1.7.4 Department of Information Technology, however, may enquire into, examine and take steps to intervene such as requiring modification of bidding requirements, modification of schedule or withdrawal of the bidding.
- 1.7.5 The resulting decision of Department of Information Technology is final with no further administrative appeal available.

1.8 DISPOSAL PROCEDURE:

- 1.8.1 Departments may develop specific internal policy and procedures addressing how disposal will occur within their organization when the IT equipment is no longer required.
- 1.8.2 The following requirements apply to disposals:
- 1.8.2.1 Departments may dispose of IT equipment with an estimated present value of Rs.50,000 or less by following the laid down procedures without review or approval by the Department of Information Technology.

1.8.2.2 For IT equipment with an estimated present value of more than Rs.50,000 all Departments must contact the Department of Information Technology for disposal of the obsolete/ unserviceable IT products.

1.8.2.3 Departments shall estimate the present value of IT equipment as the higher of the market value (when available) or depreciated value. To calculate the current depreciated value of the equipment, use the straight-line method of depreciation and a useful life of not more than five years.

1.9. Interpretation, Changing and Relaxing this policy

1.9.1. Changes in the business needs of Departments as well as market and technological advances may require revisions to this Acquisition Policy to keep the requirements and guidelines current with the prevailing business climate.

1.9.2. The power of interpreting, changing and relaxing of policy instructions are vested in the Department of Information Technology.

1.10. The department has prepared a chart enclosed as **Annexure 'A'** to satisfy the objective of fair and open competitive solicitations. These actions vary depending on the estimated acquisition value, more costly acquisition entail additional requirements over less costly acquisitions. The chart illustrates the specific rupees limits that trigger each set of actions.

1.11. The definitions of various terms used in this policy are enclosed as **Annexure 'B'**

1.12. This policy has been approved by the Council of Ministers as conveyed by the Department of General Administration Punjab vide their I.D.No.1/37/2000-Cabinet/337, dated 8th Jan, 2003.

**Dated, Chandigarh the
17th February,2003.**

**B. R. Bajaj
Principal Secretary,
Department of Information Technology,
Punjab.**

Annexure- A

Requirements for Competitive Bidding: Estimated acquisition

Financial Limits	From Rs. 500 Up to Rs.19,999	Rs. 20,000 – Rs.99,999	Rs.1,00,000 – Rs.9,99,999	Rs.10,00,000 – Rs.49,99,999	Rs.50,00,000 - & Above
Procedure for ensuring open and competitive bidding	Purchase permitted through 3 quotations from the open market	At least 4 quotations from authorized dealers out of which at least 1 should be from any State / central Government IT agency as far as possible Or Take commercial bids from the 3 pre qualified bidders whose lists would be maintained by Department of Information Technology on the basis of open bidding	Take commercial bids from 4 the pre qualified bidders whose lists would be maintained by Department of Information Technology on the basis of open bidding out of which at least 1 should be from any State / central Government IT agency as far as possible	Place tender notice in 2 regional (one English and one Punjabi) and at least 1 national paper	Place tender notice in at least 2 regional (one English and one Punjabi) and 2 national editions of papers
Placing Tender on the Internet				Place tender notice on the Internet Web Site of Department of Information Technology	Place tender notice on the Internet Web Site of Department of Information Technology
Minimum number of quotes/ vendor required	At least three quotations	At least 4 vendors from open market or 3 vendors from the pre qualified vendors	At least 4 vendors from the pre qualified vendors	At least 3 vendors	At least 3 Vendors
Form of Notice Inviting the tender				State requirements in writing: NIT	State requirements in writing: NIT
Procedures for dealing with the bidders		Inform bidder of purchase procedure	Inform bidder of purchase procedure	Send purchase procedures	Send purchase procedures
Terms and Conditions		Send applicable Terms &Conditions	Send applicable Terms &Conditions	Send applicable Terms & conditions	Send applicable Terms &Conditions
Receiving the bids				Pre Qualification and Technical bids are received	Pre Qualification and Technical bids are received
Evaluation of pre qualification bids				Evaluate Pre Qualification bid	Evaluate Pre Qualification bid
Evaluation of technical bids		Evaluate the Technical bid	Evaluate the Technical bid	Evaluate the Technical bid of only the Pre Qualified bidders	Evaluate the Technical bid of only the Pre Qualified bidders

Financial Limits	From Rs. 500 Up to Rs.19,999	Rs. 20,000 – Rs.99,999	Rs.1,00,000 – Rs.9,99,999	Rs.10,00,000 – Rs.49,99,999	Rs.50,00,000 - & Above
Fine tuning of specifications		Fine tune the technical Specifications	Fine tune the technical Specifications	Fine tune the technical Specifications	Fine tune the technical Specifications
Final NIT				Send changes in NIT to all bidders in writing	Send changes in NIT to all bidders in writing
Commercial Bids		Bidder submit their commercial bids	Bidder submit their commercial bids	Bidder submit their commercial bids	Bidder submit their commercial bids
Evaluation of Commercial Bids		Evaluate all proposals against requirements	Evaluate all proposals against requirements	Evaluate all proposals against requirements	Evaluate all proposals against requirements
Evaluation process		Document evaluation process	Document evaluation process	Document evaluation process	Document evaluation process
Vendor debriefing		Offer vendor debriefing	Offer vendor debriefing	Offer vendor debriefing	Offer vendor debriefing
Supply order		Place Supply Order	Place Supply Order	Place Supply Order	Place Supply Order

ANNEXURE - B

1.11. DEFINITIONS :

- 1.11.1. Acquisition cost: The initial purchase cost and/or year-one lease or finance cost of the IT resource being acquired, including all hardware, software, networking and telecommunications equipment, installation, maintenance, training, or other related services.
- 1.11.2. Agreements under powers and duties granted to Department of Information Technology for brokering and leasing services Products and services may also be available to local governments and other Government institutions if their local contracting regulations so allow.
- 1.11.3. Boot a computer: To start or reset a computer by turning the power on, by pressing a reset button on the computer case, or by issuing a software command to restart.
- 1.11.4. Corporate Agreement: Refers specifically to contracts negotiated and administered by Department of Information Technology with the manufacturer or provider of an information technology product or service where significant advantages will result to the state when Department of Information Technology uses its leverage as a corporate buyer. Department of Information Technology can offer Departments/ Agencies discretionary products and services resulting from Corporate
- 1.11.5. Database Server: A Network node, or station, dedicated to storing and providing access to a shared database. Also called database machine.
- 1.11.6. Decision Support Systems (DSS): A set of programs and related data designed to help with analysis and decision making. A decision support system provides more help in formulating decisions than a management information systems (MIS). It includes a database, a body of knowledge about the area, a language used to formulate problems and questions, and a modeling program for testing alternative decisions.

- 1.11.7. Empowered Committee on Computerization: Empowered Committee on Computerization as constituted by the Department of Information Technology.
- 1.11.8. E-Business: Electronic business, commercial activity that takes place by means of connected computers. Electronic commerce can occur between a user and a vendor through an online information service, the internet or a BBS, or between vendor and customer computers through electronic data interchange (EDI). Also called e-commerce.
- 1.11.9. E-mail: Electronic mail. The exchange of text messages and computer files over a communications network, such as a local area network or the internet, usually between computers or terminals.
- 1.11.10. HRD: Human Resource Development
- 1.11.11. Information Technology would cover the following activities:
- 1.11.11.1. Information Technology infrastructure in terms of State Wide LAN/ WAN IT backbone,
 - 1.11.11.2. Information Technology Software including System software and application software
 - 1.11.11.3. Information Technology services in terms of Internet, E-mail, World Wide Web, E-Commerce, Electronic Data Interchange, Video Conferencing, V-SAT, ISDN services and Electronic Data Center activities
 - 1.11.11.4. Information Technology products manufacturing including hardware covered under the Soft-Bounded Information Technology (S-BIT) units as defined by Government of India
 - 1.11.11.5. Continuing in-service Human Resource Development for Information Technology Industry
 - 1.11.11.6. Electronic Content development including CD-ROMs, Optical Disc-media or magnetic media

containing text, data or multi-media

- 1.11.11.7. Any other category of Industry as notified by Government of Punjab in the IT Incentive policy or Government of India from time to time.
- 1.11.12. "IT Software" means any representation of instructions, data, sound or image, including source code and object code, recorded in a machine readable form, and capable of being manipulated or providing inter-activity to a user, by means of an automatic data processing machine falling under heading "IT Products".
- 1.11.13. "IT service" is defined as any service which results from the use of any IT software over a system of IT products for realizing value addition. The IT Industry shall cover development, production and services related to IT products. The term 'IT Software' shall be substituted in place of 'Computer Software' in all notifications. E.g. Data processing, telecommunications, and office automation.
- 1.11.14. "IT Products": will include all Equipment, Machines, devices, and transmission facilities used in information processing, such as computers, word processors, terminals, telephones, and cables.
- 1.11.15. Information processing: The electronic capture, collection, storage, manipulation, transmission, retrieval, and presentation of information in the form of data, text, voice, or image and includes telecommunications and office automation functions.
- 1.11.16. Information Technology (IT) Resources: Equipment, telecommunications, video telecommunications, proprietary software, and purchased services. In some cases, IT resources may include personal services.
- 1.11.17. Internet: A set of computer networks that may be dissimilar and are joined together by means of gateways that handle data transfer and conversion of messages from the sending network's protocols to those of the receiving

network.

- 1.11.18. Intranet: A network designed for information processing within a company or organization. Its uses include such services as document distribution, software distribution, access to databases, and training. An Intranet is so called because it usually employs applications associated with internet, such as web pages, web browsers, FTP sites, e-mail, newsgroups, and mailing lists, accessible only to those within the company or organization.
- 1.11.19. LAN: Local Area Network, a group of computers and other devices dispersed over a relatively limited area and connected by communications link that enables any device to interact with any other on the network. LANs commonly include microcomputers and shared resources such as laser printers and large hard disks.
- 1.11.20. Local government: All county, municipal and quasi-municipal corporations and political subdivisions, and all Departments/ Departments/ Agencies of such corporations and subdivisions authorized to contract separately.
- 1.11.21. MAN: Metropolitan Area Network. A high-speed network that can carry voice, data, and images at up to 200 Mbps or faster over distances of up to 75 Km.
- 1.11.22. Management Information Systems (MIS): The formal name for a company's data processing department. Also called information processing, Data processing, Information systems, Management information Services.
- 1.11.23. Network: A group of computers and associated devices that are connected by communications facilities. A network can involve permanent connections, such as cables, or temporary connections made through telephone or other communication links. A network can be as small as a local area network consisting of a few computers, printers and other devices, or it can consist of many small and large computers distributed over a vast geographic area.

- 1.11.24. Personal service: Professional, or other technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement.
- 1.11.25. Proprietary Software: A program owned or copyrighted by an individual or a business and available for use only through purchase or by permission of the owner.
- 1.11.26. Proprietary Products: Proprietary file format, Proprietary local bus, Proprietary protocol, Proprietary standard
- 1.11.27. Purchased services: Services provided by a vendor to accomplish routine, continuing, and necessary functions. This term includes, but is not limited to, services acquired for equipment maintenance and repair, operation of a physical plant, security, computer hardware and software installation and maintenance, data entry, keypunch services, programming services and analysis, and computer time-sharing.
- 1.11.28. Rate Contract or Master Agreement: A convenience contracts for information technology products and/or services established-by Department of Information Technology only-through a competitive solicitation. DIS&AR can offer Departments/ Agencies discretionary products and services resulting from Master Agreements under powers and duties granted to Department of Information Technology . Products and services may also be available to local governments if their local contracting regulations so allow.
- 1.11.29. Software: Computer programs, instructions that make hardware work. Two main types of software are System Software (Operating Systems), which controls the workings of the computer, and applications, such as word processing programs, spreadsheets, and Databases, which perform the tasks for which people use computers.
- 1.11.30. System life cycle cost: The acquisition cost of the new resource plus other costs for development, financing (including lease), maintenance, training, and operations

over the expected life of the acquired resource or five years, whichever is less.

- 1.11.31. Telecommunications: The transmission of information by wire, radio, optical cable, electromagnetic, or other means.
- 1.11.32. Turnkey System: A finished system, complete with all necessary hardware and documentation and with software installed and ready to be used.
- 1.11.33. UPS: Acronym for Uninterruptible Power Supply. A battery that can supply continuous power to a computer system in the event of a power failure. The battery, charged while your computer is switched on, kicks in if the power fails and provides power for 30 minutes or more, during which time you can save files and shut down the computer to preserve the integrity of crucial data.
- 1.11.34. Video telecommunications: The electronic interconnection of two or more sites for the purpose of transmitting and/or receiving visual and associated audio information. Video telecommunications shall not include existing public television broadcast stations
- 1.11.35. Upgrade: The new or enhanced version of a product. To change to a newer, usually more powerful or sophisticated version.
- 1.11.36. WAN: Wide Area Network. A communications network that connects geographically separated areas.
- 1.11.37. Web Site: In the world wide web (www), a computer system that runs a web server, and has been set up for publishing documents on the web. A group of related HTML (Hyper Text Markup Language) documents and associated files, scripts, and databases that is served up by an HTTP (Hyper Text Transfer Protocol) server on the world wide web. The HTML documents in a web site generally cover one or more related topics and are interconnected through hyperlinks.
- 1.11.38.** Web Server: Any machine on which an HTTP server

program is running. Server software that uses HTTP to serve up HTML documents and any associated files and scripts when requested by a client, such as a web browser. The connection between client and server is usually broken after the requested document or file has been served.