

F.No. 29-23/2010-LI
Government of India
Ministry of Communications & IT
Department of Posts
Postal Life Insurance Directorate
Chanakyapuri Post Office Complex
New Delhi-110021

Dated 20.01.2012

Subject: Pre-Bid Meeting on RFP for Long Term Strategy for Life Insurance Business of Department of Posts held on 28/11/2011: Queries, Suggestions and Responses

Sl. No	Page No.	Clause No.	Clause	Request for Change/Clarification sought	DOP Response/ Clarification
1	11	Section-3, Clause-6 .2	Conflicting Activities	This clause shall not apply to Consultant's affiliates. Further, by entering into a contract for this engagement, Consultant or its affiliates shall not be disqualified from subsequent downstream supply of goods or works or services resulting from the consultancy	Not Accepted.
2	14	Section-3, Clause 11	Taxes	We request DOP to allow quote the prices excluding all duties and taxes. Or We should get tax rate change protection clause to cover us from any subsequent increase in tax rates.	Subsequent changes in taxes and duties is covered under Section 7, Forms of Contract, General Conditions of Contract, clause 5.2

3.	15	Section 3, Clause no. 13.1	Earnest Money Deposit	Please allow EMD in form of BG as against D/D	Accepted. Incorporated in addendum
4	15	Section 3, Clause no. 13.3	Bid Processing Fee	Request DOP to accept Bid Processing Fee as Demand Draft also	Accepted. Incorporated in addendum
5	37	Section 5 Clause no. 2.4	Specific experience of consultant in implementation of Business Intelligence/Data Warehousing solution in projects of similar nature (same size, same complexity, similar data sources, similar implementation challenges)”	It seems that the above clause does not get evaluated as a part of the Evaluation Criteria described in Part II – Data Sheet Clause 14 – Evaluation Criteria. Do we still need to provide these credentials?	While requirement for experience in this field is necessary it is not an essential for the consultancy. Therefore this will not be taken into consideration in the evaluation of the technical bid. The credentials should be provided.
6	55	Section 7 Clause no.1.6	Location	Location: The Services shall be performed at such locations as the “Employer” may approve and as provided under this Contract.	All activities shall be covered by the contract. No change is possible.
7	55	Section 7 Clause no 1.9	Taxes and Duties	Taxes and Duties: The Employer shall be liable to pay such direct and indirect taxes, duties, fees and other impositions levied in relation to this Contract under the applicable laws of India.	No change is possible.

8	56	Section 7 Clause no 1.10.2	Measures to be taken by the Employer	Any such determination under (a) and (b) shall be either based on mutual agreement or declared by a court of law having competent jurisdiction.	Change cannot be made
9	56	Section 7 Clause no 2.1	Effectiveness of the Contract	There shall be no conditions precedents in the Contract. The Effective date shall be stated in the mutually negotiated contract.	Clause has been modified in the addendum.
10	56	Section 7 Clause no 2.2	Termination of Contract for Failure to become Effective	The date of commencement of Services shall be stated in the Contract. A reasonable cure period shall be provided before the contract could become null and void.	Effective date has been specified in the addendum
11	56	Section 7 Clause no 2.5	Entire Agreement	This Contract, including Consultant's financial and technical proposal shall form the complete agreement for the subject matter hereof. In the event of a conflict, the Proposals shall prevail over this Contract.	No change can be made. The contract shall prevail
12	58	Section 7 Clause no . 2.7.3 (d) (i)	Force majeure - Measures to be taken	Demobilization shall occur only upon termination of contract as per terms of the contract.	If work cannot continue due to force majeure, demobilisation will be required. No change can be made.
13	58	Section 7, Clause no. 2.8	Suspension	We request deletion of this section in its entirety.	This cannot be deleted.
14	58	Section 7, Clause no. 2.9.1(a)	Termination by the Employer	If the Consultant fails to remedy a material failure of its obligations hereunder, , within thirty (30) days of receipt of such notice of	The clause cannot be modified.

				suspension or within such further period as the “Employer” may have subsequently approved in writing.	
15	58	Section 7, Clause no. 2.9.1(d)	Corrupt or fraudulent activities	We request, The words “in the judgement of the “Employer” shall be deleted.	Deletion cannot be allowed
16	58	Section 7, Clause no. 2.9.1.(f)	Termination by the Employer	We request deletion of this section in its entirety.	Deletion cannot be allowed
17	58	Section 7, Clause no. 2.9.1.(g)	Termination by the Employer	We request deletion of this section in its entirety.	Deletion cannot be allowed
18	59	Section 7, Clause no. 2.9.1.(i)	Termination by the Employer	We request deletion of this section in its entirety.	Deletion cannot be allowed
19	59	Section 7, Clause no. 2.9.2	Termination	In such an occurrence the “Employer” shall give a not less than thirty (30) days’ written notice of termination to the Consultants,	No change can be made.
20	59	Section 7, Clause no. 2.9.3.(c)	Termination by the Consultant	If the “Employer” is in material breach of its obligations pursuant to this Contract and has not remedied the same within thirty(30) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the “Emp”.	No change can be made.
21	59	Section 7, Clause no. 2.9.4 (iii)	Cessation of Rights and Obligations	We request deletion of this section in its entirety.	Deletion cannot be allowed
22	59	Section 7, Clause no. 2.9.6	Payment upon Termination	We proposes the following clause: Employer shall pay Consultant for all products and services provided up to the	No change can be made

				effective date of termination .	
23	60	Section 7, Clause no. 3.1.1	Standard Performance of	We Propose the following clause: Consultant shall perform its services using reasonable care and skill and according to its current description (including any completion criteria) contained in this Contract.	No change can be made
24	60	Section 7, Clause no. Clause 3.2.2	Consultant and Affiliates Not to Engage in Certain Activities	Research Agencies will be employed by IBM for the project to conduct Market Research / Consumer Surveys. It will be difficult for IBM to enforce this clause on such sub-contractors.	No change can be made
25	60	Section 7, Clause no. 3.2.3	Prohibition of Conflicting Activities	We request deletion of this section in its entirety.	Deletion cannot be allowed
26	60	Section 7, Clause no. 3.3	Confidentiality	Each party shall maintain as confidential all information received from the other party that is identified as confidential at the time of disclosure (Confidential Information). Confidential Information shall not include information that is independently	No change can be made
27	61	Section 7, Clause no. 3.4	Insurance to be taken out by the Consultant	Insurance to be taken out by the Consultant: The Consultant (i) shall take out and maintain at their own cost, insurance against the	No change can be made

				risks that it perceives under this Contract.	
28	61	Section 7, Clause no. 3.5	Accounting, Inspection and Auditing	We request deletion of this section in its entirety.	Deletion cannot be allowed
29	61, 62	Section 7, Clause no. 3.8, 3.9	Documents prepared by the Consultant to be the Property of the "Employer" Equipment and Materials Furnished by the "Employer"	We recommends an alternate clause as follows: Nothing in this Contract affects the intellectual property rights of the parties that are in existence on or before the Effective Date of this Contract. Consultant or third parties will own the copyright in all Materials created under the Contract ("Consultant Materials"). Consultant grants Employer an irrevocable, nonexclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, and "Materials" means literary works or other works of authorship such as programs, program listing, programming tools, documentation, reports, drawings, etc. that Consultant may deliver to Employer as part of the Services. The term 'Materials' does not included	No change can be made.
30	62	Section 7, Clause no. Clause 4.3	Approval of Personnel	If the "Employer" does not object in writing (stating the reasons for the objection) within ten (10) days from the date of receipt of such	No change can be made

				CVs, such personnel shall be deemed to have been approved by the "Employer".	
	62	Section 7, Clause no. Clause 4.4	Removal and/or Replacement of Personnel	(i) Employees leaving company should also be included in the list of reasons beyond control and (ii) IBM has to ensure every employees career growth and hence they cannot be forced to work on a specific project beyond their wish.	No change can be made. Contingency is covered in the Contract
31	62	Section 7, Clause no. 4.4 (b)	Removal and/or Replacement of Personnel	If the "Employer" (i) finds that any of the personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the personnel, then the Cons	No change stipulated
32	64	Section 7, Clause no. 6.3 (a)	Terms of Payment	The Consultant shall submit the invoice for payment when the payment is due as per the agreed terms. The payment shall be due upon receipt of invoice and payable with 30 days from the date of invoice (Payable Date). In the event payments are not received	No change can be made
33	64	Section 7, Clause no. 6.3 (c)	Terms of Payment - Final Payment	The final payment needs to be also paid within 30 days as against 90 days.	No change can be made
35	66	Section 7, Clause no. 8.2	Arbitration:	We would like to include the following to the clause:	Arbitral awards shall be subject to applicable

				The decision of the arbitrators shall be final and binding on both parties.	laws. No change can be made
36	66, 67	Section 7, Clause no. 9.2 and 9.3	Liquidated Damages and Penalty for deficiency in services	Liquidated Damages and Penalty may be levied only for failures relating to specific critical milestones/SLAs in the Contract. Such Liquidated Damages and Penalty may be levied only for reasons solely due to Consultant's fault and shall constitute Employer	No change can be made
37	66, 67	Section 7, Clause no. 9.2.3	Encashment and Appropriation of Performance Security	We request deletion of this section in its entirety.	Deletion cannot be allowed.
38	67	Section 7, Clause no. 10(v)	Miscellaneous provisions	We request deletion of this section in its entirety.	Deletion cannot be allowed.
39	67	Section 7, Clause no. 10 (vi)	Miscellaneous provisions	Such indemnity shall be limited to bodily injury and damage to tangible property for which the Consultant is legally liable.	No limitation can be made.
40	67	Section 7, Clause no. 10(vii)	Miscellaneous provisions	We request deletion of this section in its entirety.	Deletion cannot be allowed
41	27 and 69	Section – 4 Terms of reference Clause no.1.4 and Section-7 Special conditions of contract Clause 10	Expected Deliverables, Activities and Timelines	As mentioned in the Pg. 68 Special Conditions of Contract Point no. 10 under terms of payment sub point no 5, final payment would be released on submission of Final Report (T+180) whereas in Section 4, 1.4 Expected deliverables, Activities and timelines, 5 th deliverable is IT architecture and software development /	The timeline for deliverables is as per Section 4, Terms of Reference, Clause 1.4. The payment schedule is under Section 7, Forms of Contract, Special Conditions of Contract, clause 10. The release of the final 40 % of

				<p>implementation plan with date of submission (T+180).</p> <p>Please clarify about the deliverables, their submission timeline and payment terms respectively.</p>	<p>dues will be made on submission of the final report with all the deliverables including the IT architecture and software development / implementation plan.</p>
42	58	Section - 7, Clause 2.9.1 (a) and (g)	Termination by the Employer	<p>The CMC may decide to give one chance to the consultant to improve quality of the services</p> <p>We recommend in the event of any breach which leads to termination of the Contract, the Consultant should have the right to rectify the breach within a minimum of 30 days.</p> <p>If the consultants do not remedy a failure in the performance of their obligations within 30 days of being notified then the agreement can be terminated by the Client. An objective and consultative process should precede before the Client chooses to exercise its termination rights under this clause. To ensure that the clause is not interpreted in a subjective manner, a mechanism should be put in place to objectively capture service related defaults and allocate the accountability to an</p>	<p>The contract is not liable to be terminated outright .There is a suspension clause which allows the remedy of any failures within 30 days after receipt of suspension letter. So the suspension process precedes the termination of contract. Payment shall be as per conditions laid down.</p>

				appropriate party in a transparent manner. Upon termination, PwC should be paid for the services performed by PwC till the date of termination.	
43	59	Section 7 – Forms of Contract - Clause 2.9.6	Payment upon Termination	Payment upon Termination Payment for services satisfactorily performed prior to termination on termination of contract. PwC suggest an objective and consultative process should be defined as mutually decided between the parties to determine levels of acceptance. PwC can at the most confirm that the deliverables pertaining to its scope of work has been delivered in accordance with pre-agreed acceptance criteria. Please clarify.	The satisfaction of the employer for services rendered would decide release of payments. No change in payment conditions can be made.
44	60	Section 7 – Forms of Contract – Clause 2.9.7	Disputes about events of termination	Work During Arbitration PwC shall be expected to perform work even during the pendency of arbitration proceeding. It is imperative for PwC to retain its independence and professional judgment, all work pending the resolution of dispute would be suspended on mutually agreed terms, without prejudice to the pre-accrued payment rights of PwC.	As per the terms of contract, no work will be continued pending decision on dispute/arbitration.

				Alternatively, for PwC to continue to deploy resources for the assignment during the dispute, Client should pay all outstanding invoices to PwC till the date, and during the pendency of, the dispute. Please clarify.	
45	60	Section 7 – Forms of Contract – Clause 3.1.1	Standard of Performance	Standards of performance should be aligned to the current context. [for e.g. references to employing equipment/machinery is not applicable to the current context]. Hence request you to modify accordingly	Modification cannot be allowed
46	60	Section 7 – Forms of Contract – Clause 3.3	Confidentiality	It is requested to change in clause as below: Confidential Information needs to be shared on a strict need to know basis for the purposes relating to this project. Further, standard exclusions to confidentiality clause, such as information available in the public domain etc, need to be documented in the Contract. Subject to confidentiality restrictions, PwC should be given a onetime approval to refer to this engagement for client citation purposes. Page 59 Clause 2.9.4(ii) lays down that these confidentiality obligations will continue	This clause cannot be changed or cancelled. The ‘confidentiality ‘ clause will be in force even after the termination of contract. Period of confidentiality cannot be restricted. Deletion of data is not required, maintenance of confidentiality of information is required. Client Citation is allowed.

				<p>to subsist even after the termination of the contract. As such, the outer boundaries for the survival of these confidentiality obligations needs to be documented.</p> <p>We suggest a survival period of not more than 18 months following expiry/earlier termination of the contract. Please clarify.</p>	
47	61	Section 7 – Forms of Contract - Cause 3.4	Insurance to be taken out by consultant	<p>Please note that PwC at an organizational level maintains Professional Liability Insurance coverage and property/equipment insurance, and maintenance of motor vehicle insurance is a statutory requirement. Please let us know if DoP expects PwC to take out project specific insurance. Please also clarify the quantum of insurance expected under this category.</p> <p>The clause further requires the consultant to deliver to the Client, evidence that the required policies are in full force and effect. Disclosing the amounts of insurance is again an onerous obligation on PwC. Due to confidentiality reasons, we do not share the policies or disclose the limits of insurance</p>	The clause cannot be changed

				<p>availed. Hence request you to modify the clause.</p> <p>That said the following insurance obligations have been outlines in SCC(Page 68):</p> <ul style="list-style-type: none">• Third Party motor vehicle liability insurance with an adequate coverage- For motor vehicles owned by PwC, the third party motor vehicle liability insurance is maintained in accordance with the Motor Vehicles Act, 1988.• Third Party liability insurance - Currently, at an organizational level, PwC does not maintain third party liability insurance. This category of insurance typically deals with protection to the insured from third party claims relating to bodily injury/property damages. This is also known as commercial general liability in common parlance, and is typically maintained by suppliers. Most clients do not insist on this requirement when they are	
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				<p>appraised of the fact that as a service provider, PwC maintains the requisite professional indemnity insurance. Hence request you to modify the same</p> <p>Insurance against loss of or damage to equipment purchased in whole or in part with funds provided under this contract - This is not required as we are not procuring any equipments for this engagement. Hence request you to remove this clause.</p>	
48	61	Section 7 – Forms of Contract – Clause 3.8	Documents prepared by the consultant to be the property of the “Employer”	<p>IPR/ Ownership</p> <p>PwC willing to pass ownership in certain agreed final deliverables to the client, but cannot accept a blanket obligation to pass ownership in everything used, created or delivered under the Contract, as we need to ensure that our pre-existing IPR’s remain with us and that the supply of these or third party owned IPR’s are supplied to the client under an agreed license arrangement.</p> <p>Similarly, PwC would not pass ownership in</p>	<p>The clause states “..prepared by the consultant for the “Employer””. The ownership of such plans, specifications, designs, reports and other documents shall be with the employer and may not be used without prior permission. Limitation is not allowed.</p>

				<p>drafts or working papers to client. Further, any third party licenses, necessary for the performance of the services, would need to be procured by the client.</p>	
49	66	Section 7 – Forms of Contract – Clause 9.2	Liquidated Damages	<p>Ideally, all penalties should be capped at a figure not exceeding 10% of the contract value. Penalties should be invoked in a transparent and objective manner if the overall agreed target date is not achieved for reasons demonstrably attributable to PwC. There should be a mechanism (e.g. project meetings, timely sign-offs on draft deliverables by client's representatives) towards allocating inter-se responsibility in a transparent manner.</p> <p>Reciprocal Client obligations should be clearly spelt out. We suggest DoP should agree to review the dates of milestones on fortnightly basis to reflect the realistic date in view of the progress of the assignment and to accommodate the delays which may be attributable to client (or other third parties) or which may have occurred at the specific instance or request of</p>	Change cannot be allowed

				<p>the client. In cases where such reviews are not carried out formally by client on fortnightly basis, it would be assumed that the approval to the extended date was automatically granted. Hence request you to modify the clause accordingly.</p>	
50	67	<p>Section 7 – Forms of Contract – Clause 10(vi) & (vii)</p>	<p>Miscellaneous provisions</p>	<p>Indemnity</p> <p>Widely worded indemnity obligations. Engagement Team to explain to the Client that save for a balanced third party IPR infringement indemnity and a balanced reciprocal indemnity for death/bodily injury, PwC is unable to provide other multiple indemnities in the manner as proposed in the Contract.</p> <p>We believe that either side will have full and adequate contractual/legal recourse to address the other situations, thereby avoiding the need for the other multiple indemnities that have been currently sought in the Contract.</p>	<p>Change cannot be allowed</p>
51	67	<p>Section 7 – Forms of Contract –</p>	<p>Miscellaneous provisions</p>	<p>IPR Indemnity.</p> <p>This is to clarifying that PwC shall only be liable</p>	<p>Any IPR infringements attributable to the service</p>

		Clause 10(v).		<p>for IPR claims solely attributable to PwC. Client shall notify PwC in writing of any claim which may give rise to a claim for indemnification and shall co-operate with all reasonable requests of PwC in defending or settling such claim. Further, we should not be expected to indemnify against claims covering alleged infringements caused by modifications to the work performed by PwC that are not made by PwC or that result from Client or third party provided designs, specifications or other information or from combination of such work with products or services not provided by PwC.</p>	provided would need to be indemnified.
52			General Query related to liabilities	<p>Limitation of Liability</p> <p>We request for limitation of liability upto contract value with exclusion of Gross Negligence and Intentional misconduct as allowed under the manual of policies and procedure for Employment of Consultants, issued by the Ministry of Finance, Department of Expenditure as allowed under clause 6.6.</p> <p>Further, neither side should be responsible</p>	Cannot be allowed

				for any indirect or consequential damages	
53				<p>General Queries</p> <p>General Queries</p> <p>1) Current business portfolio of DoP including some observations around</p> <ul style="list-style-type: none"> • Total Fund Size (Assets under Management) • Investment Pattern & Portfolio Regulation • Nature and number of products • Geographical spread (Business, distribution Network & Mobilisation) • Distribution structure (Incentives structure) • Spread of customers between individual and employer funded (Rural & Urban) • PLI's premium income over the last 10 years, preferably by product • New business income over the last 10 years (& Renewal Premium income) • Current talent structure within PLI • Current IT capabilities • Current operational structure and capabilities • Access to their Balance sheets for the last 	<p>Much information is available in the public domain on the website www.indiapost.gov.in. and www.postallifeinsurance.gov.in</p> <p>Only the contractor can be supplied detailed information.</p> <p>Market surveys are expected with a 95% confidence level.</p>

				<p>10 years</p> <p>2) Department's perspectives around any particular product line or regional aspiration for growth (Long term Business Plan)</p> <p>3) Department's perspectives around PLI's capabilities over LIC and SBI Life</p> <p>4) For Customer profiling, is the expectation from the consultant to conduct market surveys and if yes, any boundaries for this exercise ?</p> <p>5) Depth and range of processes across functions that the consultant is expected to study</p> <p>6) Would the DoP be willing to consider a alliances or partners with clear synergies for business</p> <p>7) Nature of benchmarking work that the consultant is expected to study</p>	
54	39	Section 5 Technical proposal- Forms	Form Tech 4	Discrepancy in form which mentions four components in line three but details only three components .	Corrected in the Addendum

55	22	Section 3, Instructions to consultants Part II clause 14	Evaluation Criteria	A presentation by consultants team is mentioned. Clarification is required on the structure, content, date and duration .	A maximum of 30 minutes presentation is required during Technical evaluation. The consultant is required to clearly state his understandings of the requirements and objectives and the methodology to be adopted to fulfil the same stating the linkage between the methodology and objectives. The date of presentation shall be specified by the CEC at the time of opening of tender.
56		Section – 5 Technical Proposal Forms.	Query on Technical Forms.	Clarifications on prescribed formats for proposal submission and whether technical forms can be submitted in visually rich , land -scape oriented documents .	There is no prescribed requirement as such but the formats specified should be used for the technical proposals.
57	26	Section 4, Terms of Reference, Clause 1.4.2	Expected deliverables, Activities & Timelines	Under As-Is Assessment Report, clarification on fund flow management is required.	This will include Revenues and Expenditures, Investments, Linkages in the management of funds between the different offices.
58				Weblink for clarification,	www.indiapost.gov.in

				changes etc	
59				<p>IT queries: What is the level of documentation with respect to:</p> <p>a) Channel of access for clients</p> <p>b) Long term cost bound active contracts for IT Hardware and software</p> <p>c) Current systems, work flows and management reports</p> <p>d) Training plans to improve/ retain IT awareness of users and administrators</p> <p>What is the percentage of time that IT staff and administrators can give for detailing As-Is process.</p> <p>Preferences for IT training methodology and number of people expected to be trained on IT.</p> <p>Are there any constraints on IT training locations and duration.</p> <p>Are there any predefined approaches, methodology or templates defined by Postal Life Insurance, which are to be used for</p>	<p>Documentation is available .Time constraints will not be there. Training of trainers is required. About 200 people would need to be trained. There are no pre-defined approaches.</p> <p>There are no location constraints.</p> <p>There are no predefined approaches, methodology or templates</p>

				the engagement.	
60	21	Section 3 part II Clause 14 & Section 5, Technical Proposal-Forms, Form Tech-2	Consultant's organisation and experience	Details on projects handled for Postal Administration in India and abroad have different points accruing an evaluation but in form Tech II on page 35, only Global Experience is mentioned .	Corrected in addendum
61			General Query	Whether any business intelligence/data warehousing project will follow this consultancy and whether shortlisted bidders will act as PMU for this .	This can not be specified at present .