

Minutes of Meeting of the 68th Project Implementation Committee
held on 23/06/2022.

The 68th meeting of the Project Implementation Committee (PIC) was held on 23/06/2022 in the chamber of the Hon. Secretary, Financial Reforms, Department of Finance, Mantralaya, Mumbai. The list of participants are as follows:

Sr No	Name	Designation
1.	Shaila A., I.A.S.	Secretary, Financial Reforms, Department of Finance, Maharashtra State.
2.	Rahul Dwivedi, I.A.S.	Joint Commissioner of State Tax, Maharashtra State, Inv-A
3.	Mallinath Upase	Joint Commissioner of State Tax, Maharashtra State, Mahavikas
4.	Harshal Nikam	Joint Commissioner of State Tax, Maharashtra State, Training
5.	Nitin Shaligram	Joint Commissioner of State Tax, Maharashtra State, PT
6.	S.M.Bhandarkar	Dy. Secretary, Planning Department
7.	Vinayak Dhotre	Dy. Secretary, Finance Department
8.	Mandar Kelkar	Dy. Secretary, Finance Department
9.	Laxmikant Garje	Director, NIC, Mantralaya, Mumbai
10.	Rajendra Tanksale	Sr. Consultant, DIT
11.	Abhishek Chavan	PMC

The Agenda for the meeting of the PIC was as follows:

1. PIC proposal for consideration of issues raised by M/s. Coforge ltd in Negotiation Proceedings with MGSTD.
2. Proposal for consideration of PIC for extension of current SI (M/s. (n) Code Solutions) contract for supply of services of LAN & WAN and providing IT Facility Management Services for MGSTD for period from 04/07/2022 to 03/10/2022.

The agenda items were discussed, and decisions were taken are as follows:

Agenda- 1

PIC proposal for consideration of issues raised by M/s. Coforge ltd in Negotiation Proceedings with MGSTD.

Discussion:

It is informed that,

- Coforge Limited earlier known as NIIT Technologies Ltd. was selected as the SI for the Complete Automation Project of the department in L1 based RFP process.

- Some of the key dates around this project are as below:
 - RFP Released on: 10th June 2014
 - Bid Submission: 28th July 2014
 - NIIT Technologies Ltd. selected as the L1 Vendor in HPC dated 25th August 2014 with a bid of Rs. 155,29,98,967 with SAP TRM Product
 - Contract signed on: 30th September 2014
 - RFP Payment Terms: 40% Till Go-Live (Milestone based fees) & 60% as QGR during post-production phase for 5 years
 - As per the RFP timelines, the project was to be delivered till 18th Aug. 2015
 - 122nd HPC meeting dated 8th June 2018, Coforge was permitted for a phased go-live, 15.84% Scope reduction, Compensation for modules made live till go-live, Coforge provided revised Go Live of 30 September 2018, allowed full QGR with GST BO Support
 - 134th HPC meeting dated 22 July 2019 decided further scope reduction by 9.02%, QGR Reduction, Compensation till 30 September 2018, QGR reduction by 24.86%
- Go-Live Date is: 1st November 2019 and the contract runs till 31st October 2024.
- Coforge had contended that, the payment deductions are unilateral and upon a wrong base. Department replied to these contesting letters in the light of HPC directions.
- Later Coforge escalated and issued a legal notice of Arbitration on March 15, 2021 as per the Arbitration and Conciliation Act 1996.
- The RFP provides for clause 21 for "Arbitration and Dispute Resolution". Also clause 15 of Master Service agreement contains the said provision. The same is as under:
 - *The Department and the SI shall make every effort to resolve amicably by direct informal negotiations, any dispute or difference whatsoever arising between the parties to the Agreement out of or relating to the construction, meaning, scope, operation or effect of the Agreement or validity of the breach thereof.*
 - *If, after thirty (30) days from the commencement of such direct informal negotiations, the Department and the SI are not able to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution to the formal mechanism such as the provisions of Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof.*
- Following issues of contentions were raised by Coforge:
 - The base used for the computation of the pro-rata work completion basis reduction by Coforge and the department is different. Descoped deduction on full value of pay-out of milestones M3, M4 and the pay-out of QGR (AMC phase) is argued.
 - The reduction of Scope of work of 09.02% unilaterally calculated by MGSTD for 134th HPC is partially agreed by Coforge.

- Base for Penalty calculations should be in sync with revised values and base considered for pay-out of milestones M3, M4 and the pay-out of QGR (AMC phase).
- The non-payment of compensation payments for the period 01.10.2018 to 31.10.2019.

Proposal for consideration:

In view of the above, it is proposed that:

- 1) PIC may consider the contentions/disputes raised by Coforge Ltd. and recommend to HPC for appropriate decisions.
- 2) If PIC grants approval to MGSTD for negotiation with M/s. Coforge, Commissioner MGSTD, has recommended following committee members,

Sr. No.	Name	Designation
1.	Mr. Rahul Dwivedi	Joint commissioner of State Tax (INV-A, Mumbai)
2.	Mr. Mallinath Upase.	Joint commissioner of State Tax (Mahavikas)
3.	Mr. Harshal Nikam	Joint commissioner of State Tax (Training)

PIC may recommend HPC to authorize Commissioner of State Tax, MGSTD to issue order for formation of negotiation committee.

Decision:

PIC considered the proposal and recommended to HPC to form a Negotiation Committee with the following members, to engage in direct negotiation with M/s. Coforge Ltd on the contentions/disputes raised by them

Sr. No.	Name	Designation
1.	Mr. Rahul Dwivedi	Joint commissioner of State Tax (INV-A, Mumbai)
2.	Mr. Mallinath Upase	Joint commissioner of State Tax (Mahavikas)
3.	Mr. Harshal Nikam	Joint commissioner of State Tax (Training)

HPC may authorize Commissioner of State Tax, MGSTD to issue the order for formation of Negotiation Committee.

Agenda- 2

Proposal for consideration of PIC for extension of current SI (M/s. (n)Code Solutions) contract for supply of services of LAN & WAN and providing IT Facility Management Services for MGSTD for period from 04/07/2022 to 03/10/2022.

Discussion:

It is informed that,

- The contract for “Provisioning, Installation and Commissioning of IT infrastructure across all the MGSTD offices and to provide Facility Management Services with Comprehensive Maintenance of IT Infrastructure across all office locations of MGSTD” was awarded to M/s (n) Code Solutions for FIVE years has ended on 03/10/2021.
- Due to Covid -19 and allied circumstances, on-boarding of New system integrator did not happen in time, Hence Extension Provided for period of 6 months (2 Quarters) beyond the original contract period (i.e., from 04/10/2021 to 03/04/2022) and it was further extended for one Quarter (i.e., from 04/04/2022 to 03/07/2022) as per HPC dated 04/06/2021 and 01/04/2022 respectively.
- The existing/current SI contract clause 3.4.2 provides that “In the eventuality that no such alternate arrangements are in place for managing the Project at the end of the Contract period, the SI will be required to continue delivering services as required under this Project, at the same terms and conditions (Technical & Financial) as per Fifth year even beyond the Contract period (such period not exceeding 1 year) till alternate arrangement is done by the Department to manage the operations. The decision to extend the Contract with the SI (if applicable) will be communicated to the SI at least 3 months before the expiry of the Contract.”
- Signing of contract with new selected SI, Orient, has been completed on 11/5/2022. The RFP provides, 16 weeks’ time to Go-Live from contract signing date (T). Thus, as per RFP the project Go-Live date for Orient is 01/09/2022.
- The services of Orient are expected to take more time to be available for the MGSTD than the end of (n)Code’s current extended contract period, i.e., 03/07/2022. So, the department needs to ensure continuity of project services from 04/07/2022 till 01/09/2022, a period of approximately two months.
- Though the extension is required for two months, it is proposed to avoid any issues on account any unforeseen delays, the authority to grant additional one month extension for third month may be delegated to Commissioner of State Tax to avoid approaching HPC again.

Proposal for consideration:

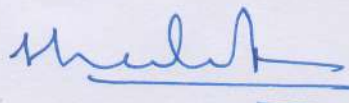
In view of the above, the proposal before PIC for recommendation to the HPC is as below:

- i. For approval of extension of contract period of current SI, M/s. (n) Code Solutions by the period of 2 months i.e., for period from 04/07/2022 to 03/09/2022 at the cost of Rs. 3,26,95,655/- (Excluding GST) and GST as applicable for Implementation of LAN & WAN and providing IT Facility Management Services to MGSTD on the same terms and conditions (Technical and Financial) as per the fifth year.
- ii. To give authority to the Commissioner of State Tax to grant extension of contract for one month i.e., for period from 04/09/2022 to 03/10/2022 at the cost of Rs.1,63,47,828/- (Excluding GST) and GST as applicable for Implementation of LAN & WAN and providing IT Facility Management Services to MGSTD on the same terms and conditions (Technical and Financial) as per the fifth year, if required.

Decision:

PIC decided to recommend to HPC as follows:

- i. HPC may approve the extension of contract period of current SI M/s. (n) Code Solutions by the period of 2 months i.e., for period from 04/07/2022 to 03/09/2022 at the cost of Rs. 3,26,95,655/- (excluding GST) and GST as applicable for Implementation of LAN & WAN and providing IT Facility Management Services to MGSTD on the same terms and conditions (Technical and Financial) as per the fifth year.
- ii. HPC may authorize the Commissioner of State Tax to grant extension of contract for one month i.e., for period from 04/09/2022 to 03/10/2022 at the cost of Rs.1,63,47,828/- (excluding GST) and GST as applicable for Implementation of LAN & WAN and providing IT Facility Management Services to MGSTD on the same terms and conditions (Technical and Financial) as per the fifth year, if required.



(Shaila. A, IAS)
Secretary, Financial Reforms,
Finance Department, Maharashtra State