

The meeting commenced at 2.45 p.m. on 6th March 2009, and following matters were discussed and under-mentioned decisions were taken.

1) Approval of the Minutes of the Previous meeting

The CAPC reviewed the minutes of the previous meeting and approved the same.

Thereafter, CAPC decided to review the TEC report within the framework based on the criteria of the bid document and the provisions in the procurement Guidelines. Accordingly, CAPC reviewed the project requirements in terms of the bid document, evaluation methods & criteria

set out therein, and the Procurement procedures. CAPC decided to first identify bidders who have substantially complied with the technical requirements and bidders who have deviated from the requirements and finally to review the aspect of cost effectiveness of the substantially responsive bids.

Strategies of CAPC

Main TEC report and three (3) individual reports have been submitted to the CAPC. Members of CAPC noted that, all 4 TEC reports are in agreement with the recommendation of preliminary bid examination stage 1. Accordingly, CAPC decided to accept the elimination of 5 bids at the stage 1.

Stage 2

According to the main report submitted to the CAPC, 4 bids have been eliminated on the basis of Non Compliance of the technical requirements.

Mr. Wasantha Deshapriya, on his dissenting report has selected 4 bids as substantially responsive bids taken for final bid evaluation. He accepted the elimination of 2 bids namely M/s Kings Investments and M/s E-WIS. Mr. Dinuka Perera in his dissenting report has also taken 4 bids as substantially responsive bids namely NADRA, Sagem Securite, Metropolitan and HeiTech Padu Berhad and accepted the elimination of 2 bids namely M/s Kings Investments and M/s E-WIS.

Mr. Pigeru in his dissenting report had accepted the stage 1 evaluation process. CAPC noted that, no appropriate and systematic method has been adopted in his evaluation. However, he has listed some non-compliance of M/s HeiTechPadu Berhad and M/s Metropolitan in his individual report.

Evaluation of technical requirement

CAPC reviewed the opinion of the TEC report and 3 individual reports with respect to deviation to Technical Requirements as follows.

Table 1 Opinion of the Main TEC report on deviations

	Major	Minor	Not Deviation
NADRA	2	-	1
Sagem Securite	5	5	-
HeiTech Padu Berhad	-	10	4
Metropolitan	-	6	5
e-Wis	1	-	-
Kings Investments	4	-	-

Table 2 Opinion of Mr. Wasantha Deshapriya on deviations

	Major	Minor	Not Deviation
NADRA	1	1	1
Sagem Securite	-	9	Classification requirement 1
HeiTech Padu Berhad	4	10	-
Metropolitan	1	9	Not deviation
eWis	1	-	-
Kings Investments	4	-	-

Two bids i.e M/s Kings Investments and M/s E-WIS were not considered for the detail evaluation.

Table 3 opinion of Mr. Dinuka Perera on Deviations

	Major	Minor	Not Deviation
NADRA	1	1	1
Sagem Securite	3	7	-
HeiTech Padu Berhad	3	11	-
Metropolitan	2	8	1
eWis	1	-	-
Kings Investments	4	-	-

Two bids i.e M/s Kings Investments and M/s E-WIS were not considered for the detail evaluation.

Table 4 Opinion of Mr. Sriyantha Pigera on Deviation

	Major	Minor	Not Deviation
NADRA	1	1	1
Sagem Securite	-	10	-
HeiTech Padu Berhad	4	10	-
Metropolitan	-	5	6
eWis	1	-	-
Kings Investments	4	-	-

CAPC noted the unanimous decision taken by the TEC to consider the elimination of two bids namely M/s Kings Investments and M/s E-WIS. Having reviewed the reasons, CAPC decided to accept the elimination of the referred two bids as non-responsive.

2) Obtaining clarifications for difference of opinion on deviations

Chairman of the CAPC informed the TEC members that, the CAPC has reviewed the TEC report and all individual reports submitted by members of the TEC. The Chairman also stated that, CAPC has decided to accept the TEC recommendation of Preliminary Evaluation stage one and its recommendation to consider M/s E-WIS systems and M/s Kings Investment as non-responsive at the stage two. Chairman/CAPC also mentioned that, Mr. Wasantha Deshapriya, Mr. Dinuka Perera and Mr. S Pigera, who were disagreed with the TEC report, have submitted their individual recommendations on the award of the contract.

Mr. M N Ranasinghe & Dr. Chathura de Silva then pointed out that, according to the above three TEC members, all bidders have major deviation and as per the Procurement Guidelines, and the provisions of the bid document, any bid, which has major deviation cannot be evaluated and hence, should not be recommended for the award of contract.

Chairman/CAPC further informed that, the CAPC needs to obtain further clarifications from members of TEC prior to take a decision on the award of the contract. As such, CAPC wanted to obtain clarifications on Major Deviations of Technical Requirements and the impact of such major deviations on the implementation of e-NIC project. Accordingly, CAPC requested TEC members to express their views on Major Deviations of bidders on Technical Requirements. As such, Deviations of the following four bidders were discussed.

2.1 NADRA

N-1 (DC 1.1 to 1.5 of the Bid Document)

Dr. Chathura de Silva explained that, requirements of DC 1.1 to 1.5 of the bid document is related to the Data Center, which is one of the most critical items of the e-NIC project. He added that, the proposal of M/s NADRA does not fulfill the requirement, as they have proposed only two servers for the data center. Accordingly, the solution of NADRA has three main drawbacks namely; **very low redundancy, low reliability and low security.**

Then, Chairman/CAPC inquired if the bidder required rectifying the referred deficiencies, how many additional servers would be needed and the approximate cost that would incurred. Replying, Dr. Chathura stated that, additional 15 – 20 servers may be required to rectify the deficiency, and it could incur approximately LKR 400 Mn. However, it will not be easy since, the whole structure of Lot 2 need to be reorganized in order to accommodate our requirement. Hence, Dr. Chathura concluded that, N-1 is a Major Deviation as the proposed solution for the Lot 2 by M/s NADRA does not satisfy our requirements of the bid document.

N-2 (ITB Sections 20.1 – 20.3 of the Bid Document, Requirement of Manufacturer's Authorization)

Majority of TEC members have considered this as a Major Deviation and hence, CAPC inquired the reasons for that decision. Mr. Rabasinghe and Dr. Chathura stated that, as per the ITB Section 20.1 (a) *in the case of a bidder offering to supply those key components / types of equipment identified in the BDS under the Contract that the Bidder did not itself manufacture or otherwise produce, the Bidder has been duly authorized by the Manufacturer or producer to supply those components in Sri Lanka. (This will be accomplished by submission of Manufacturer's Authorization Forms, as indicated in _Section IV. Bidding Forms')*

However, M/s NADRA has 4 above documentary evidence on behalf of them and all other Manufacturer's Authorizations have been issued to M/s Samsun Network Incorporation, who is not a Joint Venture partner or a Consortium member of NADRA. Hence, majority of members have considered this as a major deviation, whereas Mr. Wasantha Deshapriya, Mr. Dinuka Perera and Mr. S Pigeru have considered it as a Minor Deviation. Those three members were of the opinion that, TEC should seek a clarification to ascertain the exact role of M/s Samsun Network Incorporation in this regard. Other TEC members pointed out that, as per

the Section 7.9.2 (n) of the Procurement Manual, no clarification could be sought that, would change the commercial conditions of the bid document. Further, Dr. Chathura de Silva mentioned that, M/s Samsun Network Incorporation cannot be a subcontractor, as it is a partner of LGN project, which provide Wide Area Network (WAN) facility to e-NIC project. He further pointed out that as per the section 20.1 of General Conditions of Contract (GCC) of the bid document supplier cannot relive his obligations, duties, responsibilities, or liability under the contract. He stated that, according to the above factors, majority TEC members decided this as a Major Deviation. Finally, CAPC stated that, they will decide whether to request the bidder for a clarification in this regard.

2.2 M/S SAGEM SECURITIE

S- 1 (Major Deviation by Majority)

Dr. Chathura stated that, system architecture of SAGEM Bid is not complying with our requirements. SAGEM proposed to customize its readymade software to e-NIC project with their existing capabilities. However, they have failed to match how their existing "Moficivic" software could to meet our technical requirements. Dr. Chathura further, added that, their quoted price for the Lot 1 is far below in comparison to the prices of other bidders. Accordingly, he stated that, majority of the TEC members decided this as a major deviation since e-NIC system cannot function with that solution.

S- 3 (Major Deviation by Majority)

This requirement is related to Fingerprint and Face Image capturing and matching system of e-NIC project. Nevertheless, the proposed Fingerprint capturing and matching mechanism of SAGEM is not appropriate. As per the proposal of SAGEM, their proprietary equipment (feature extraction devices) has to be purchased in Fingerprint matching. Hence, it will be a revenue loss to the Government of Sri Lanka in the long run. Dr. Chathura de Silva emphasized that, he is not in agreement with technical suggestions of SAGEM as it is not practical.

S- 4 CR 1.3 (Major Deviation by Majority)

This requirement is related to printing of textual data in the card. As per the section CR 1.3 a and b, *All textual personalization data should be encoded into machine readable format using a record format provided by the purchaser. Bidders may use proven industry standard techniques to ensure that all personalization data are printed in an inner layer / inner*

surface of the card body. However all layers above printed layer (pre-printed and personalized) should be fused into the main body of the card in non-disintegratable manner.

Dr.Chathura de Silva mentioned that, M/s SAGEM has proposed to print the textual data in the card based on an encrypted form. Hence, it is necessary to purchase vendor specific hardware or software to decrypt the encrypted data. Therefore, this is a major deviation as it restricts the readability of textual data in the card. He further added that, although, Mr. Wasantha and Mr. Dinuka stated that as a Minor deviation, it is a conditional recommendation.

2.3 M/s HeiTechPadu Berhad

H-5 (Minor Deviation by Majority - ISO definition on Date & Time)

Dr.Chathura de Silva mentioned that Bidder has stated in his response schedule, the date & time will be provided according to the required ISO standard. However, due to an oversight, they have stated ISO 9000 instead of ISO 7801. He also mentioned that, all standard software support the requirement of the date & time according to the ISO standards. He further added that, since this particular bidder provides standard software this is not a major deviation. Hence, the argument of Mr. Wasantha and Mr.Dinuks is technically in correct.

H-9 (BR 12.6, Minor Deviation by Majority)

Members of TEC pointed out that, the bidder has explained everywhere in his solution properly, and in the description the word "not" is missing due to an oversight. Dr.Chthura de Silva stated that, the bidder has proposed to provide IBM DB 2 database, which is complied with our requirements, could be accepted. Hence, CAPC decided that it appears to be a genuine mistake,

H- 12 (Usage Reference on Experience of Bidders)

It was revealed that, Mr. Wasantha Deshapriya, Mr. Dinuka Perera and Mr. S Pigeru have stated this as a major deviation of M/s HeitechPadu Berhad. However, Mr.Ranasinghe and Dr. Chathura stated that, this particular requirement has been fulfilled by the bidder at the stage one evaluation and now it is not necessary to check it again.

H – 13 (Card manufacturing and personalization method)

This was related to Card manufacturing and personalization method. Mr. Wasantha and Mr. Dinuka have stated that, the information is not available in the bidder's proposals. However, Dr. Chathura de Silva stated that, based on the information provided by the bidder, they have complied with the requirement. He also drew the attention of the CAPC on a document, where Mr. Wasantha Deshapriya has written the relevant information is included in the bidder's proposal. Therefore, Dr. Chathura mentioned it is not a deviation.

2.4 M/s Metropolitan Office Consortium

M – 5

The relevant information (section III, Part II) was there in the proposal and hence, CAPC considered that, there is no deviation.

M- 6

Mr. Dinuka Perera has stated that, the information, i.e. CVs of key members not in the proposal, and CAPC also noticed such CVs are not included. However, the bidder has stated the Project Team without CVs.

3 Any Other Matters

Mr. C D Kalupahana, informed the CAPC, Mr. Sriyantha Pigeera, who is now disagree with the Colour Personalization method, has agreed to it at the preparation bid document. He also tabled a document signed by Mr. Pigeera in this regard.

Summary of the decisions taken

- a) CAPC decided to accept the TEC recommendation of Preliminary Evaluation stage one and its recommendation to consider M/s E-WIS systems and M/s Kings Investment as non-responsive at the stage two.
- b) CAPC decided to record all the clarifications given by TEC members at today's meeting and to compare them with the clarifications to be obtained from other 3 members on 11th March 2009.