

CO/IT/HW

Dt: 15th March '08

Re: Annual Maintenance Contract for Hardware items for the year 2008-2009.

(This agreement is made for Annual Maintenance Contract for all LIC offices throughout India between Life Insurance Corporation of India, Central Office, IT Department, JEEVAN SEVA ANNEXE, S.V.ROAD, SANTACRUZ (W), MUMBAI- 400 054, herein after referred to as LIC, the customer of one Part and _____ (vendor – name and address), herein after referred to as “Vendor”, which expression shall include its assigns and successors, of the second Part.)

TERMS AND CONDITIONS OF THE AMC 2008-2009

I. Nature of AMC

- 1) **The effective date of this Contract is 01/04/2008 and the Contract is valid upto 31/03/2009.**
- 2) The contract signed by Central Office will be valid for all systems installed in all our offices throughout India. No separate contracts are required to be entered into by the vendors with any of our other offices for AMC.
- 3) The Vendor who has originally supplied the hardware will have to immediately undertake the AMC for all the items coming out of warranty, unless LIC decides otherwise. For items already under AMC, the existing AMC Vendor will have to continue unless LIC decides otherwise.
- 4) The Vendor has to carry out on-site comprehensive maintenance of the Computer Systems excluding LCD Projectors (Systems include Servers, PCs, Thin Clients, all printers including Line Printers & Laserjet Printers, Inkjet Printers, MFPs & DMPs, Scanners, Laptops, Switches and all other peripherals).
- 5) All the tools, test equipment and fixtures etc. (if any) required for the on-site comprehensive maintenance of equipments, shall be provided by the AMC Vendor.
- 6) During the AMC period, the Vendor will be required to keep the system in 100% working condition. The vendor will attend to all breakdown calls reported for the Equipment/Systems and rectify problems thereof and replace the faulty components of the systems with serviceable components.
- 7) The Vendor will have to hand over the system in 100% working condition on the termination or end of the Contract. Any Breakdown call that has been reported before the termination of the Contract will have to be rectified by the Vendor before handing over the systems to LIC.
- 8) LIC of India reserves the right to make amendments to the text of the contract or extend or reduce the validity of this contract.

- 9) LIC reserves the right to terminate the Contract with one month's notice, without assigning any reasons and decision of LIC in this matter will be final.

II. Repair outside the Office premises

- 1) In the rarest of occasions when any Hardware equipment is taken out of an LIC Office for repair, such shifting should be done with the prior permission of the RM(IT), Manager (IT) or Branch Manager, as the case may be, and the vendor shall make all arrangements for removal of the equipment, its transportation to the workshop and back to LIC's site and its reinstallation. Insurance of such equipment also has to be arranged by the Vendor and all expenses for the above shall be borne by the vendor. The Vendor shall hand over the systems in 100% working condition after repair/maintenance/rectification.
- 2) Whenever any Hardware equipment is taken out of an LIC Office for repair, Vendor shall reinstall the same machine after repair unless it is declared to be irreparable.

III. Technical Support:

- The Vendor has to extend technical support whenever required and suggest changes or carry out improvements in system features and software configuration changes, if necessary.
- In the process of providing technical support, if required, Vendor may have to carry out joint resolution of problems with other vendors.
- The Vendor will be required to install any Open source software/ Drivers etc. free of cost as and when required by LIC.
- Any problem relating to the Pre-loaded Operating System such as Windows, Linux, RHEL-4 etc. shall be attended to by the vendor and reloading of such software shall be done by the Vendor wherever required, without any extra cost to LIC of India.
- Wherever any system has to be shifted from one LIC location to another, the vendor is required to uninstall / reinstall and maintain the system/s at the new location, without any extra cost to LIC of India on account of reinstallation.

IV. Preventive Maintenance (PM):

- Vendor has to carryout preventive maintenance once in every quarter. Quarterly preventive maintenance of PCs, Thin Clients, Terminals, Printers, Laptops and Scanners is mandatory on the part of the Vendor. Preventive Maintenance report has to be submitted as per Annexure-A. The PM activity should be spread through out the quarter instead of being undertaken at a stretch during a brief period in each quarter. The PM will generally include the following but is not limited to:
 - Printers - Cleaning of printers thoroughly and checking the various alignments and functioning of the print heads and logic cards, hammer modules. Spools etc.,

- Scanners/MFPs – cleaning thoroughly etc.
- PCs/ Laptops - De-fragmentation where necessary, Dusting and cleaning of monitor, keyboard, mouse etc.
- Thin Clients- Dusting and cleaning of Monitor, Keyboard, Mouse etc.
- Any other Servicing/maintenance/upgradation job which may be entrusted to the engineers from time to time by LIC of India.

V) Support for Upgradations/ Feasibility Support :

- The Vendor has to provide, at no additional cost to LIC, support for any feasibility study and implementation of subsequent upgradation/ changes in system configuration proposed by LIC.
- In the event of orders placed for upgrades, the Original vendor may first be given the option to install the upgrades. After warranty period of the upgraded part is over, the upgrade cost may be included in the future Annual Maintenance Contract. However, if the Original vendor refuses to install the upgrades, the vendor supplying the upgrades may be asked to install the upgrades with an option to takeover the Annual Maintenance of the system at third party maintenance charges, if so decided by LIC of India.
- In every case where LIC places orders for upgrade of Servers, the Vendor shall load the Operating System as per LICs instructions, without any cost to LIC.

VI) Third Party Maintenance :

- If LIC opts for third party maintenance(TPM), AMC will be awarded to a third Party Vendor at the same rates as are applicable to the original vendor subject to all the other conditions of the Annual Maintenance Contract as stated in this Contract.
- A separate consent-cum-undertaking as per Annexure B along with the details of the number of engineers posted, and a commitment with regard to the maintenance of adequate spares and servicing of Hardware as per the AMC conditions / rates for third party maintenance will have to be given by the Third Party Vendor to the respective Regional Managers (IT).
- **A TPM vendor has to submit Bank Guarantee (BG) as per Annexure-1**

VII) Stocking of Spares/ Immediate replacement of faulty parts/ equipment:

- Sufficient spares should be stocked. The minimum spares that should be stocked per component shall be equal to the quantum of spares consumed during the corresponding quarter of the previous year for the same component.
- Whenever any complaint for a part of the Computer Hardware/ Peripheral is logged by LIC, for eg. Keyboard, Mouse, CD-Rom, CD-Writer etc., the service engineer of the Vendor who attends to the complaint must invariably carry a spare of such part of the Hardware and should replace the same, if required.

- In the event of replacement of any part of the system, it should be done with a part of equivalent or higher configuration which is compatible with the system.

VIII Density of Service Engineers

- There should be at least one resident engineer posted for every 10 branches in addition to one resident engineer in respect of DO/ZO/CO. **Subject to this condition, the RM (IT) may prescribe the exact number of residential engineers Division-wise, based on the prevailing local conditions. The contact details of the engineers posted shall be given to the respective Manager (IT)/ RM (IT)/ ED(IT), as the case may be, by the Vendor at the beginning of the Quarter. However the condition of 1 engineer for every 10 branches maybe waived/ modified for Vendors like LIPI, TVSE and Wep who provide service only for Printers**
- Whenever a service engineer quits the services of the Vendor all the LIC officials concerned should be immediately informed and an immediate replacement made.

IX) Exclusion of certain parts from AMC

(a)The AMC is on comprehensive basis and ALL PARTS will be covered under AMC except the following:

- (1) Print head & print cartridges for Dot Matrix Printers
- (2) Toner cartridges and drum for laser printers
- (3) Ink Ribbons, Print Bands and spools for Line Printers.
- (4) Laptop Battery.

(b) Physical damage due to mishandling : Any physical damage due to mishandling by LIC or damage by any external factors like rats will be excluded from the ambit of AMC. However, the onus of proving this would be with the Vendor and the vendor will still be expected to carry out all activities necessary to restore the equipment to working condition, as envisaged in the Contract.

X) Point of Contact/ Regular meetings

- i) The Vendor shall nominate a specific person as the single point of contact for each LIC division. The Vendor shall submit the name and contact details, including address, telephone number, mobile number, FAX number/email address of this contact person and the service engineers at each of these locations. Further, for each office, the Vendor should also provide the contact details of customer support officials to whom calls should be escalated. The Vendor has to establish and provide LIC with details of an escalation matrix upto three levels, mentioning names, designation and contact details of the officials concerned. In addition, Vendor shall furnish contact details of single nominated person to LIC Central Office, IT dept., for interaction with that

person from our Mumbai office for any Hardware related problem throughout the country.

- ii) It is mandatory for the vendor's Zonal Account Manager for LIC to meet Regional Managers (IT) of the concerned LIC Zone every month on a mutually convenient date, to sort out the service issues of the Zone. The minutes of the meeting shall be signed by LIC's RM (IT) and the Account Manager representing the Vendor.

XI) Access of Service Engineers to the machines

- Service Engineers/Representatives of the vendor shall invariably carry their identity cards with them, without which they will not be allowed to access to LIC.
- Service Engineers of the vendor shall have access to the Computer Systems/ Peripherals only after obtaining prior clearance from LIC's authorised officials. No component of the System/data/ log information will be taken out of LIC without prior clearance from LIC's authorised Officials.
- During the Warranty or AMC period, the vendor/vendor's engineers may have access to confidential information of LIC for the purpose of resolving any issue covered by this Contract The vendor or engineer shall not disclose at any point of time to any other person/third party the information so received and shall use the same degree of care to maintain the confidentiality of the information as if the information is their own. Also the vendor may use the information only for serving LIC's interest and restrict disclosure of information solely to those employees of vendor having a need to possess such information in order to accomplish the purpose stated above and also advise each such employee, before he or she receives access to information, of the obligation of vendor under this agreement and require such employees to maintain these obligations. Violation of this will lead to legal action, recovery of damages and blacklisting.

XII) List of items under AMC

- The Manager (IT)/ RM (IT)/ Secretary (IT) CO, as the case may be, will communicate to the Vendors, details about the systems to be covered under AMC at the respective offices.
- The Vendors should maintain proper Inventory of various systems provided and/or maintained by them at various locations. A copy of such Inventory under AMC reflecting the hardware cost and the Quarterly Maintenance charges payable to the Vendor shall be submitted by the Vendor along with the Invoice. This will be subject to verification by Central Office/ Zonal Office/ Divisional Office as the case may be.
- On demand from the Vendor, LIC's Zones/Divisions would supply the list of Hardware that would get replaced, and hence will go out of the purview of the AMC, after release of POs for replacement of Hardware. . However, Zones/ Divisions will not give the exact time-frame for removal as that will depend on the Hardware supply by the current year's hardware Vendor.

XIII) Terms of Payment

1. In case original hardware vendors are awarded the AMC, for all Systems (excluding LCD Projectors) coming out of warranty, or already under AMC, the Annual Maintenance Charges will be payable @ 8% of hardware cost of the systems. The hardware cost will be taken at the basic price approved by Central Office. Systems include Servers, PCs, Thin Clients, all printers including Line Printers, Laserjet Printers, Inkjet Printers, MFPs & DMPs, Scanners, Laptops, Switches and other peripherals and other peripherals. Software Cost if mentioned separately, Taxes, Octroi etc are not to be included in the cost while calculating the AMC.
2. If LIC opts for a third party vendor, the AMC will be payable @ 8% of hardware cost of the systems. The hardware cost will be taken at the basic price approved by Central Office subject to all the other conditions stated in this Contract.
- 3) Quarterly Maintenance Charges (QMC) will be paid by the respective Zones/ Divisions after the expiry of each quarter.
- 4)The Vendors are required to submit Invoices along with the PM Reports to the respective Divisional, Zonal, Central Office for claiming the QMC payable.
- 5) The maintenance charges for equipment coming out of warranty during the validity of the AMC will be on pro-rata basis.
- 6) For claiming the quarterly maintenance charges (QMC) the vendor should submit Preventive Maintenance (PM) reports for individual machines (as per “Annexure-A”). It is mandatory that both the service engineer as well as the user should complete and sign the PM report. Reports received incomplete in any respect shall be treated as PM not done.
- 7) If PM is not done for a particular quarter, 20% of the QMC for those machines will be deducted. However, if the failure to carry out the PM was because LIC could not make the systems available, this penalty will be waived. A certificate to this effect should be obtained from the Corporation’s authorized officials.
- 8) Penalty of 10% of quarterly AMC will be deducted if minimum number of resident engineers, as envisaged in point VIII- ‘Density of Service engineers’ above, is not available during the quarter and/or contact details of one or more engineers not provided at the beginning of the quarter. RM (IT) may waive this deduction if he/ she is satisfied that for most parts of the quarter the requisite number of the engineers was available and there has been no significant impact on the quality of servicing.
- 9) A Penalty of 5% of total breakdown penalty will be deducted in addition to the regular breakdown charges if sufficient spares are not stocked as envisaged in point VII- ‘Stocking of Spares/ Immediate replacement of faulty parts/ equipment’. However, RM (IT)/ Secretary (IT), CO may waive this deduction if he/she is satisfied that the machine breakdowns have been attended to within a reasonable time and there has been no significant impact on the quality of service.
- 10) For every monthly meeting not attended by the Vendor’s Zonal Account Manager as envisaged in X(ii)- ‘Point of Contact/ Regular meetings’, a Penalty of Rs. 1000/-

will be deducted from the QMC payable by ZO, for Hardware in respect of Zonal Office, subject to a maximum of 5% of QMC payable for that quarter.

- 11) A penalty of 0.5% of QMC payable by ZO for Hardware in respect of Zonal Office or Rs.2000/- whichever is more will be deducted in case the Vendor does not provide the contact details/ changes in service engineers and escalation matrix upto 3 levels as envisaged in X(i)- 'Point of Contact/ Regular meetings'.
- 12) Penalties in addition to the Breakdown charges are summarized as under.

Condition not satisfied	Penalty
If PM is not done for a particular quarter	20% of the QMC for those machines will be deducted.
If minimum number of resident engineers, as envisaged in point VIII- 'Density of Service engineers' above, are not available during the quarter and/or contact details of one or more engineers not provided at the beginning of the quarter The availability of the number of service engineers would be reckoned on the basis of the daily login to the hardware complaint tracking module by the Vendor's service engineers.	Penalty of 10% of quarterly AMC will be deducted.
Vendor not making the spares available as envisaged in VII- 'Stocking of Spares/ Immediate replacement of faulty parts/ equipment'.	5% of total breakdown penalty in addition to the regular breakdown charges will be deducted.
If Vendor's Zonal Account Manager for LIC does not plan/ attend Monthly meetings with RM (IT).	A Penalty of Rs. 1000/- for every monthly meeting not attended will be deducted from the QMC payable by ZO, for Hardware in respect of Zonal Office, subject to a maximum of 5% of QMC payable for that quarter.
If Contact details/ changes in service engineers and escalation matrix upto 3 levels is not provided by the Vendor as per clause X(i).	0.5% of QMC payable by ZO for Hardware in respect of Zonal Office or Rs.2000/- whichever is more.
If Stand-by equipment not provided	Penalty as per the Breakdown charges defined in the AMC Contract will be applicable.

- 13) Penalty as per the Breakdown charges defined in the AMC Contract will be deducted till the time stand-by equipment is provided.
- 14) Breakdown charges/ other deductions, if any, for a particular quarter will be deducted from the QMC payment for that quarter and the balance if any, from any future payments due to the vendor. If necessary, Bank Guarantee(s) may be invoked. Further outstanding amount, if any, shall be made good by the vendor to the Corporation immediately.
- 15) Income-tax, surcharge or any other taxes levied by the government from time to time shall be deducted at source from the AMC amount payable. Service tax as applicable at the time of billing will be paid along with AMC charges.
- 16) Where any State Government levies State Sales Tax on AMC rates as per the statutory law, LIC shall reimburse the amount against submission of original receipts along with the AMC invoice.
- 17) Any representations against the AMC deductions, if any, should first be made to the office where the action has arisen and, if not resolved, may be escalated to the respective RM (IT).

18) An incentive of Rs 1000/- will be given to the vendor for resolving Server breakdown within in 6 hours. Such incentive for each quarter will be accumulated and will be adjusted during AMC payment.

XIV) Complaint booking :

- Complaint(s) can be booked by any office of LIC. Hardware Breakdown/failure/fault complaints will be intimated by the Corporation to the vendor by Telephone/Fax/E-mail etc. The downtime / breakdown period will be reckoned from the date and time of logging of the complaint to the Vendor by Corporation's authorized official.

XV) Breakdown Charges and Complaint Resolution Time

- Breakdown charges - Penalty for breakdown for various hardware items is as follows:

Breakdown charges			
Hardware Type	Per day Breakdown charges up to 7 days	Per day Breakdown charges from 8 th day to 14 th day	Per day Breakdown charges from 15 th day onwards
Server/ LP	Rs. 1000/-	Rs. 1500/-	Rs. 2000/-
PC/Thin client/ Laptop	Rs. 250/-	Rs.300/-	Rs. 500/-
DMP & other Hardware	Rs. 100/-	Rs. 200/-	Rs. 400/-

- No breakdown charges will be deducted if the Complaint is resolved within 24 hours or next working day for LIC. However, for branches where travelling time required is 4 hours or more and spares are required, 24 more hours (36 hrs for North Eastern states and J&K) can be given for closure of the call,

provided the first visit of the Engineer to the site and the assessment of the equipment which has broken down has taken place within 24hrs from the lodgement of the complaint.

- For the purpose of calculation of the above penalty, 1 day means the completion of 24 hrs from the time of lodgement of the complaint for the first day, but any part of the day thereafter will be considered as a full day

XVI) Complaint Resolution :

- Complaint(s) will be deemed to be resolved if the following record is available with LIC:
- Customer Call Report (CCR) signed by both the service engineer and Corporation's authorized official, confirming that the complaint is resolved. Date and time of resolution of the complaint shall be indicated clearly.
- Record of down time for hardware will be maintained by LIC and will be binding on the Vendor.

XVII) Partial/ Full damage to Hardware

- If there is a partial damage to the hardware due to the power fluctuations, LIC would bear the cost of the parts damaged but the onus of proving this will be on the Vendor. However, the vendor will be required to provide immediate system/solution as standby as if it is a normal breakdown and SLA as per XIV above will be applicable.
- In case of partial/ full damage or loss of the equipment due to reasons like theft, fire, flood, power fluctuations and other unnatural events, the vendor should supply working standby equipment with same configuration or higher as if it is a normal breakdown and SLA as per XIV above will be imposed. In both the cases mentioned above, fresh order will be placed by LIC with the concerned vendor for the supply of the lost/damaged equipment/ component. Monthly rental of 2% of basic Hardware cost will be payable to the AMC vendor for the equipment supplied as standby up to a maximum of 60 days. Also AMC for the Lost/Damaged equipment shall cease immediately.

XVIII) Miscellaneous Conditions:

- (a) **Assignment:** The Vendor shall not assign in whole or in part, the obligations to perform under the contract, to any third party except with prior express consent of the ED(IT/BPR), Central Office, Mumbai.
- (b) **Limitation of liability:** Except in cases of criminal negligence or wilful misconduct and in case of infringement of intellectual property rights, both parties shall not be liable, whether in contract tort or otherwise, for any indirect or consequential loss of damage, loss of use, loss of production or loss of profits or interest costs, provided

