

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

**Financing e-Governance Projects - CARD, TWINS, MPHS and FAST Projects
– collection of service charges -- guidelines issued**

Information Technology & Communications Department

G. O. Ms.No.24

Dated. 31.3. 2001

Read the following:

ORDER:

1. A number of e-Governance projects have been taken up and are likely to be taken up in near future in the State, with the primary aim of providing better citizen services. Projects like CARD, TWINS, MPHS, FAST are examples of projects which are already operational and /or about to be expanded by the concerned departments. Besides this, there are IT projects taken up by public utilities like AP Transco, Metro Water, and Municipal Corporations etc. In addition to the capital costs to be borne by the Govt. Dept. / agency initially, the continual operation of these projects involves pumping in of resources on a regular basis to meet the recurring costs associated with power, AMC of hardware, upgradation of software, security, consumables and stationery etc. It is essential, therefore, to create a local equilibrium within each project that ensures the availability of human and financial resources to create and maintain the e-Governance projects, through an independent stream of revenue.

2. Collection of service charges from the end users for meeting the costs of creation and maintenance of e-Governance projects, is one method of ensuring provision of better services on a sustained basis. The levying of such service charges in addition to the regular fee / tariff / duty is justified considering the fact that the citizens would receive services of a higher quality in the computerized system compared to the manual system. The value addition to the citizen could be due to one or more of the following:

- i. Transparency
- ii. Speed of service
- iii. Better accessibility
- iv. Better ambience of service centers
- v. Longer hours of service
- vi. New services not available in manual systems

3. The Government constituted a Committee of senior officers consisting of the DG, MCR HRD Institute, Prl Secy, Finance and Secy IT to examine the matter and make recommendations. The Committee, after examining the functioning and requirements of the ongoing IT projects, recommended collection of service charges for creation and maintenance of e-Governance projects aimed at rendering better citizen services.

4. After a careful examination of the recommendations of the Committee of Officers, the Government have decided to issue the following guidelines in the matter of fixing service charges in respect of the ongoing e-governance projects namely CARD, TWINS, FAST, and MPHS projects.

- i) These guidelines are applicable to the CARD, TWINS, FAST, and MPHS projects, implemented by the Departments of Registration and Stamps, Information Technology and Communications, Transport & Revenue, respectively.
- ii) The Administrative Departments of the Secretariat concerned with the above 4 projects shall constitute committees headed by the Head of the Department concerned and consisting of representatives of the Secretariat Administrative Department & Finance Department, with the responsibility to fix the appropriate charges in respect of the various IT-enabled citizen services being provided by the above 4 projects.
- iii) The committee shall ensure that the services are provided in the most cost effective manner by duly balancing the need for advanced features and facilities in a project with the cost associated there with and by adopting suitable technology options in this regard.
- iv) The committee shall fix service charges in respect of each service delivered through the IT project and also simultaneously fix the services standards to be maintained in respect of each service.
- v) The employees of the departments/organization shall continue to provide the services using the IT infrastructure established by the department, and the tools and software developed by the department either by itself or through an Implementing Agency. For this purpose the term "Implementing Agency" is defined as follows:

“Implementing Agency” means an organization entrusted with any or all of the following responsibilities in relation to an e-Governance project, in return for a transaction fee or for a period rental.

- Annual Maintenance of hardware, UPS, Air-conditioners, networking equipment and all other equipment used in running an e-Governance project.
- Facilities management covering all aspects related to the project, including supply of consumables and stationery.
- BOO or BOOT operation of a project.

vi) **Selection of Implementing Agencies**

The following two models are suggested for selection of Implementing Agencies and fixation of services charges.

- a) **Model A:** Wherever feasible, based on normative costs or on experience gained, the Committee could fix service charges prior to identifying an implementing agency. The department could then empanel at least three qualified implementing agencies out of which one or more could be picked through a random method and given a pre-determined percentage of the service charges collected to make the operation viable.
- b) **Mode B:** The department could at first shortlist qualified implementing agencies based on their technical competence and capacity, following a process of open competitive bidding. The implementing agency or agencies will be selected from among the short-listed agencies on the basis of the transaction cost to be charged for the service by the vendor through an open competitive bidding process, besides the technical elegance of the solution. In case the project involves multiple services, the weighted average of the transaction costs shall be used for evaluation.

- vii) The committees may consider the following components while fixing service charges.
- Cost of development of Software and upgradation.
 - Cost of consumables & stationery required to run the project.
 - Cost of power (required for the IT systems only but not the entire load of the office).
 - AMC charges
 - Facilities management charges.
 - Cost of security of data, backup and archival systems
 - Communication and networking costs (in respect of services provided over the net).
 - The cost of capital and capital cost in respect of TWINS and FAST projects which are being implemented on a BOO/BOOT basis.
 - A marginal surplus, adequate to take care of upgrades of software and hardware.
- viii) The departments could adopt one of the methods indicated below for collecting the service charges.
- a) The department could permit the APTS to levy and collect a transaction service charge, fixed by the department in terms of these guidelines, evolve a computerized accounting system for monitoring the receipts and also require APTS to appoint a suitable agency to carry out the maintenance task in consultation with the department.
 - b) The department could collect the service charges directly and deposit in a PD account to be opened for the purpose. The departments would be authorized to incur the maintenance expenditure drawing from the PD account, without treasury control. The department should, however, ensure that over the entire state, the operations are self-sustaining.
 - c) Any other more appropriate method with the approval of the Government.
5. The Heads of the Departments may obtain the prior approval of the Administrative Department on the service charges proposed, standards of service prescribed, method of selection of Implementing Agency where applicable, and method of collecting the service charges, before implementing this scheme.

Contd.

-5-

6. This order issues with the concurrence of Finance Dept. vide their C.No.4468/PES/2000, dt.10.7.2000.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**P.V. RAO
CHIEF SECRETARY**

To
Revenue Department
TR&B (Transport) Department
IT&C Department
Chief Commissioner of Land Administration
Comm. & IG Registration and Stamps Department.
Director, TWINS.
Commissioner of Transport.
MD, APTS Limited, Hyderabad.
Prl. Accountant General.

//FORWARDED BY ORDER//

SECTION OFFICER