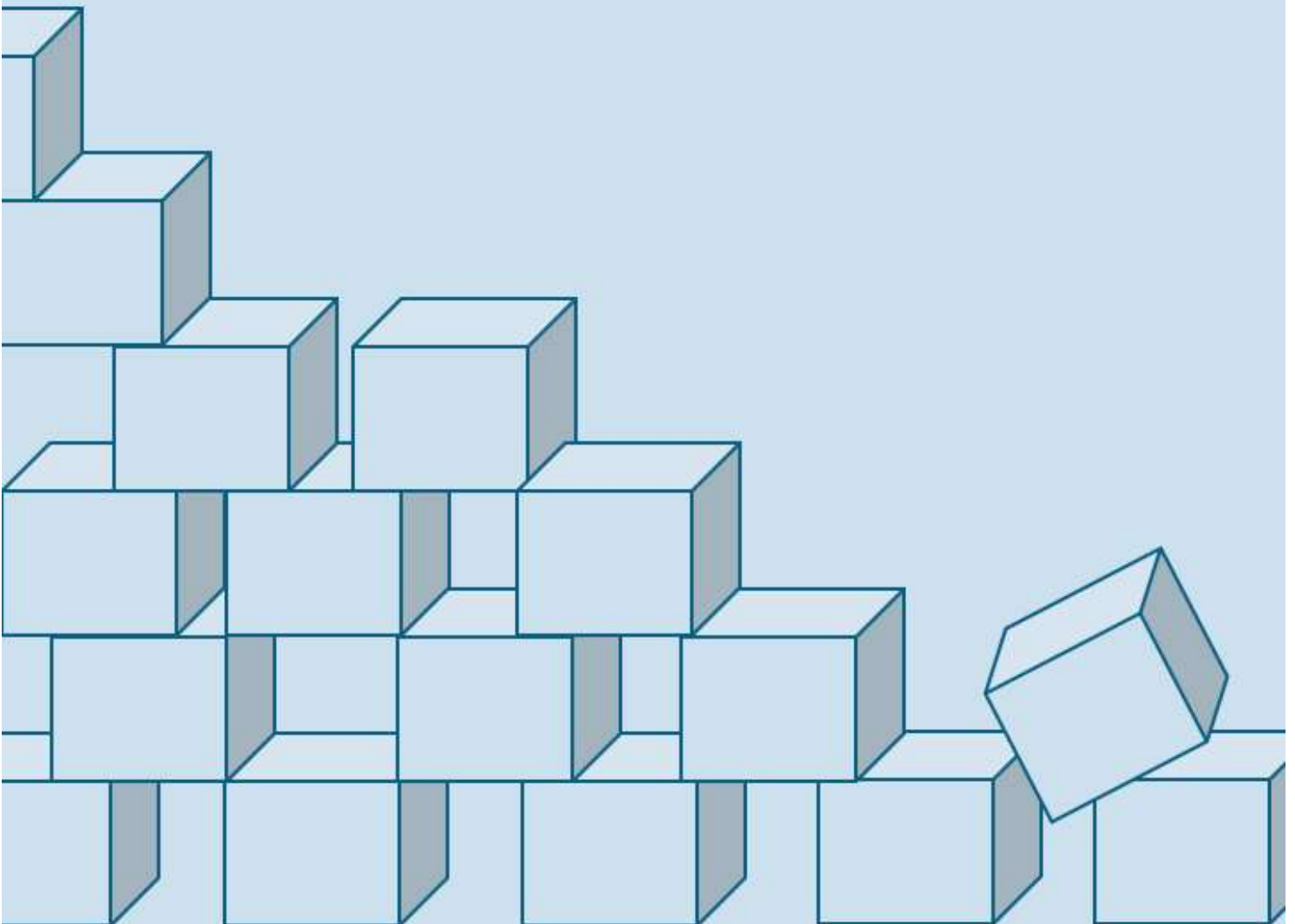


Chapter II

Project Management



Chapter – II

Project Management

2.1 Project Management

For smooth execution of the CCTNS project, the Government of Odisha was to select a System Integrator (SI) through competitive bidding process. As per RFP, there were two stages ‘Design and Development Stage’, ‘Operation and Maintenance Stage’ in which System Integrator was to be engaged. In the ‘Design and Development Stage’ of CCTNS project (*i.e.*, stage prior to go-live), the System Integrator was to supply the project assets and install, commission, and implement them as per the product/ process specifications. Further, in this stage, the SI was to provide services like designing, enhancement, development of CAS (State), preparing the System Requirement Specifications (SRS), conducting system assessment, data migration, digitisation of old/past data, user testing and finally, delivering & commissioning of hardware at Police Stations and higher offices. In the ‘Operations and Maintenance Stage’, the SI was to provide services like annual maintenance, handholding, training etc.

2.2 Non-transparent process of selection of system integrator

2.2.1 Irregularities in the selection of M/s NIIT as system integrator

DG & IG of Police, Odisha floated a Request for Proposal (RFP) in April 2011 inviting proposals from potential bidders for providing the “bundle of services” required in implementing and managing CCTNS solution in the State.

In response six bidders³ submitted their bids. The tender evaluation committee (for both technical and financial evaluation) was constituted (17 June 2011). The committee was chaired by Director IIT Bhubaneswar and consisted of members⁴ such as Director SCRB and representatives of DG & IG Police, NCRB, IT Department, NIC and the project consultant.

The committee opened the technical bids in September 2011. However, the technical evaluation was conducted only later, in October-December 2011. Audit noticed that in the meeting (November 2011) in which the committee conducted the technical evaluation, only 08 out of 12 members were in attendance. Notably, the meeting was not attended by its Chairman, *i.e.*, Director IIT Bhubaneswar. The other members who were not present included representatives of NIC and the IT Department. Reasons for not deferring/ re-

³ HP, SPANCO, WIPRO, NIIT, TCS, Tech Mahindra

⁴ Director, IIT (Chairman), Bhubaneswar; Representative of DG & IGP; Director, SCRB (Nodal Officer); Representative of NCRB; Representative of IT Department, GoO; Representative of NIC and Representative of consultant member

scheduling the meeting to another date, when all these members with technical domain knowledge could have participated, were not found on record. In the absence of these members, the meeting was chaired by the representative of DG & IG Police and attended only by Director SCRB and the representative of the project consultant. Hence, the quorum of the committee on the date of technical evaluation consisted only of representatives of the DG & IG Police and the hired project consultant, with no other independent members in attendance.

Audit noticed that the committee evaluated the six bids and disqualified one bidder *i.e.*, M/s Tech Mahindra Limited who did not submit requisite tender paper cost and qualified the remaining bidders including M/s NIIT for the technical evaluation stage. However, the members of the truncated committee made the irregular decision (November 2011) to evaluate M/s NIIT as technically qualified, even though the bidder had not fulfilled two pre-qualification criteria, as described below:

Table 2.1: Table showing pre-qualification (PQ) evaluation of NIIT

Sl. No.	Pre-qualification criteria as per RFP	Evaluation Report	Audit Remarks			
1	The Bidder must have a proven track record of providing a successful “Turnkey Solution” for at least five (5) IT-projects.	Completion Certificate for two projects out of five not provided.	#	Name of project	Stages	Project cost (₹ in crore)
			1	Intranet Selo (Phase I to IV)	Complete	6.25
			2	Connect India	Complete*	14.35
			3	Intranet Prahari	Complete	73.8
			4	Intranet Selo (Phase-V)	Complete	3.56
			5	Management of IT operation for Holcim South Asia Group Companies	On going*	27.00
				* The 5 th project was ongoing and hence incomplete. Further, the bidder had not submitted Completion Certificates in case of the 2 nd project which was stated to have been completed.		
2	The Bidder must have a proven track record of implementing at least two e-Governance projects summing up to a value of ₹10 crores.	--	The bidder had submitted details of only two e-Governance projects with aggregate value of ₹6.25 crore <i>plus</i> ₹0.14 crore = ₹6.39 crore which was less than ₹10 crore.			

Source: Records of SCRB

Following this irregular decision during the technical evaluation of bids, a complaint was received (October & November 2011) by DGP, Odisha from the President, Communications & Manufacturing Association of India where the complainant stated that the reason for the absence of the technical committee

members was the difference in opinion among them, on the issue of PQ criteria being applied to the bidders. There was also a second complaint received (November 2011) from one of the bidders, M/s TCS, in which the complainant questioned the application of the PQ criteria. Audit noticed that in case of both these complaints, no action was taken to respond or offer clarifications to the complainants.

In its meeting held in 29 November 2011, the tender evaluation committee⁵ evaluated the financial bids of the bidders who had been declared as technically qualified.

During the financial evaluation, the members of the committee made the irregular decision to declare M/s NIIT as L1, even though its financial bid had not been submitted in the prescribed format and the bidder had separately quoted an additional amount of ₹15.17 crore towards cost of toners for printers and cost of paper, over and above the financial bid amount of ₹54.82 crore. The committee evaluated the financial bids as below:

Table 2.2: Statement showing comparative statement

Sl. No.	Name of Bidder	Technical Score (Tn) out of 100	Commercial Bid (in ₹)	NPV (Cb)	Lowest NPV (in ₹) (Cmin)	Overall Score [Bn=0.3 * Tn + 0.7 * (Cmin/Cb * 100)]
1.	NIIT	78.90	69,99,84,418	64,21,02,022	64,21,02,022	93.67
2.	Spanco	80.05	72,07,66,033	68,03,50,420		90.08
3.	Wipro	77.55	74,61,55,862	72,37,89,701		85.36
4.	TCS	83.75	81,40,41,867	78,19,79,401		82.6
5.	HP	83.50	129,77,29,513	119,07,81,100		62.8

Source: Records of SCRB

In this manner, the committee had irregularly evaluated the technical and financial bids submitted by M/s NIIT, which then resulted in its declaration as L1 (November 2011).

2.2.2 Irregular reduction of scope of work for L1 after completion of the tender process, without competitive bidding to discover revised market price for the reduced scope of work.

According to the Central Vigilance Commission (CVC) guidelines, post-tender negotiations with the L1 (lowest) bidder are generally discouraged due to the potential for corruption. Such negotiations are permitted only in exceptional situations, such as the procurement of proprietary items, items with limited

⁵ Principal Secretary, Home Department; Special Secretary, Home Department; ADG-cum-Director, SCRB; Inspector General of Police, Provision, State Police Head Quarters; Deputy Secretary, Finance Department; 1st Additional LR, Law Department; Deputy Director, Directorate of EP&M; FA-cum-Additional Secretary, Home Department; General Manager, NISG

sources of supply, or when there is suspicion of cartel formation. These stipulations are outlined in CVC Circular No. 4/3/07, dated March 3, 2007.

After selection (November 2011) by the tender evaluation committee of M/s NIIT as the SI with a contract value of ₹69.99 crores, the State Level Purchase Committee⁶ asked (November 2011) M/s NIIT to reduce its cost to ₹42.71 crores, on the grounds that funds available were limited and insufficient to meet the contract value discovered through the tendering process.

In response, M/s NIIT submitted (December 2011) revised financial quotation for an amount of ₹42.71 crores. The reduction from the original amount of ₹69.99 crores was achieved by M/s NIIT by excluding items⁷ worth ₹24.08 crores from the scope of the project and extending a discount of ₹3.20 crores.

The State Level Purchase Committee (SLPC) accepted the revised financial quote from M/s NIIT for ₹42.71 crore, with the reduction of scope of work. Subsequently, the agreement with M/s NIIT was signed in July 2012 for the provision of SI services with contract validity from the date of signing the contract (July 2012) to 36 months after the date of go-live for the project.

In this regard, Audit noticed that

- GoI had communicated the fund position (February 2011) to the State Government well before the issuance of the RFP (in April 2011) for the selection of the SI. Hence, the scope of the project should have been suitably reduced before the tendering process, based on internal estimates for the expected contract value.
- Even after completion of the tendering process, the SLPC did not communicate the list of items of work proposed to be excluded from the scope of work to all the bidders who had participated. SLPC did not seek revised financial bids from them for the reduced scope of work. Instead, communication was initiated only with the L1 bidder for a reduced project cost limit and the reduced project scope. Hence, other bidders did not get an equal opportunity to offer their best prices. This action was highly irregular and objectionable, since it vitiated the tendering process and the L1 bidder was at liberty to decide the scope

⁶ Principal Secretary, Home Department – Chairman, Special Secretary, Home Department –Member, ADG-cum-Director, SCRB, Inspector General of Police, Provision, State Police Head Quarters, Deputy Secretary, Finance Department, 1st Additional LR, Law Department, Deputy Director, Directorate of EP&M, FA-cum-Additional Secretary, Home Department, General Manager, NISG.

⁷ The major excluded items were (1) Operations and Maintenance for 5 years- ₹ 6.52 crores, (2) Cost for handholding and deployment of personnel- ₹ 2.98 crores, (3) Enterprise Management System- ₹ 1.84 crores, (4) Toners for Printers- ₹5.63 crores (5) 2 KVA Generator Set- ₹ 3.46 crores.

of work to match the fixed project cost limit. There was no competitive pressure on the L1 bidder, in the absence of other bidders.

Noting the observations of Audit on selection of System Integrator, Government stated (September 2024) that due care would be taken in future for proper evaluation.

2.3 Lack of due diligence in contract management, resulting in excess payment of ₹4 crore to BSNL

NCRB had signed an agreement (October 2011) with BSNL for providing bandwidth to all Police Stations across States to be used for creating CCTNS network over State Wide Area Network (SWAN), Virtual Private Network over Broadband (VPNoBB)⁸, Worldwide Interoperability for Microwave Access (WiMax)⁹ and Very Small Aperture Terminal (VSAT)¹⁰ technologies and requested (March 2012) SCRB to sign the Service Level Agreement (SLA) with BSNL for the same.

Accordingly, GoO signed (April 2012) SLA with BSNL for three years. The SLA was extended up to March 2018, till then the payment for connectivity was to be funded by GoI. After that the State Government had to pay for the connectivity. As per the SLA, the minimum uptime for VSAT and VPNoBB was set at 96 *per cent* and 97 *per cent* in a quarter respectively, with penalties of two times of rental value for downtime beyond the above permissible limit. Penalty was to be calculated on a quarterly basis deductible from the next quarter's payment, and not to be refunded in cash by BSNL.

NCRB instructed (April 2016) all States to use a software *i.e.*, Enterprise Management System (EMS) to compare the bandwidth utilisation report against the SLAs committed by BSNL, before disbursing payments to BSNL. Therefore, SCRB was required to pay BSNL for the bandwidth utilisation after verification of uptime/ downtime report from EMS, and after deducting penalty calculated based on the EMS Report, from the quarterly claims of BSNL.

Audit examined records related to processing of payments to BSNL and noticed that as of March 2020, BSNL had raised invoices amounting to ₹8.88 crore as shown below:

⁸ Virtual Private Network over Broadband (VPNoBB)-functions as a private virtual network in Multi Protocol Label Switching (MPLS) cloud.

⁹ It is an IP based Wireless Broadband Access Technology utilising IEEE 802.16e-2005 standard as the air interface.

¹⁰ VSAT is a satellite communication network and is used to provide computer network to remote locations.

Table No.2.3: Statement showing release of payment without calculation of penalty to BSNL

Invoice period	Bill raised for VPNoBB by BSNL	Disputed amount over the date of link commissioning in the Units as mutually agreed by BSNL and SCRB	Eligible billing amount as per SCRB calculation based on uptime/downtime report as per EMS	Penalty calculated by SCRB after release of payment based on downtime report as per EMS downtime ranged between 3 per cent to 100 per cent	Payment released by SCRB
<i>(₹ i n c r o r e)</i>					
October 2016 - March 2018	5.86	1.55	1.08	6.47	4.00
April 2018 – March 2020	3.02	-	0.79	Not calculated by SCRB	--
Total	8.88	1.55	1.86	6.47	4.00

Source: Records maintained by SCRB

SCRB released (November 2018) ₹4.00 crores against claims of ₹5.86 crore by BSNL up to March 2018, without calculating the penalty.

Subsequently, SCRB calculated (March 2020) a penalty of ₹6.47 crore and asked BSNL to refund ₹8.60 crore (₹6.47 crore *plus* ₹4.00 crore *minus* ₹1.86 crore). However, BSNL did not refund the amount quoting the SLA clause which stated that the penalty was to be deducted from the payment of the next quarter and was not to be refunded in cash. It was noted that after March 2020, M/s Airtel was appointed as the network provider selected through open tender and SCRB could not effect recovery of penalty from BSNL.

Thus, SCRB failed to observe due diligence in contract management by making payment without verifying contract terms which resulted in release of ₹4 crore without calculating the applicable penalty even though they had to verify it from the EMS report.

Admitting excess payment made to BSNL, Government stated (September 2024) that they had released ₹4.00 crore to BSNL in good faith since it was a Government PSU. The response was not tenable, since ensuring compliance with contractual terms was the responsibility of SCRB. Efforts are required to be made for recovery of amount paid in excess.

2.4 Digitisation of old/past records

Data digitisation and migration was the most important activity and constitutes a major component in the successful implementation of CCTNS project. Proper digitisation and migration of past records into CAS database would help the police in efficient search and matching of records while enquiring/ investigating a case.

As per the contract (12 July 2012), the SI *i.e.*, M/s NIIT Technologies Pvt. Ltd. (NIIT) was responsible for data digitisation and migration of past records from 2001-2010. NIIT was to digitise all the relevant data/ records till the CAS was operational. As per the Standard Operating Procedure (SOP) for data digitisation and migration, data digitisation would involve digitisation of all the documents related to a case diary *i.e.*, first information report, crime details form, arrest/ surrender form, seizure form, final report/ chargesheet, court disposal form, result of appeal, medico-legal cases, missing person registration, unidentified dead body form, lost property form *etc.*

Apart from digitizing the physical records, NIIT was also responsible for migrating the data of those Police Stations and higher officers that were operational on CCIS and CIPA using a Data Migration Utility (DMU) developed by NCRB. System Integrator was to validate the data in these systems prior to migration to CCTNS.

2.4.1 Non digitisation of old/past records from 2001 onwards

As per the contract, SI was to digitize old/past case records of 10 years from 2001 to 2010 as well as open cases (on-going investigation/trial) even if the case had been registered prior to 2001. It was noted that, instead, SCRB decided (December 2012) to only digitize old/past records for the period from January 2003 to December 2012, which was not in compliance with the contractual terms.

Audit examined the status of digitized records available in CCTNS and noticed that old/past records had been digitized for the period from 2004 to 2013 in Keonjhar and Khurda districts and for the period from 2005 to 2014 in case of the remaining districts. As a result, the original objective and contractual requirement of digitizing the old/past records for the period from 2001-10 had not been fully achieved.

2.4.2 Lack of due diligence by System Integrator in digitising data, resulting in significant errors and discarding of the digitised data

The digitisation of data pertaining to old/past records was started in November 2012, for the period of 10 years from January 2003 to December 2012. The data entry was to be carried out in reverse chronological sequence starting with the latest year.

During the data digitisation process, SCRB pointed out (December 2012 to April 2015) several inconsistencies and errors in the data entered into CCTNS, due to lack of training and frequent changes of Data Entry Operators and Supervisors who were deployed by the SI and due to lack of due diligence in validating the data by deployed Sub-Inspectors/Assistant Sub-Inspectors (100

per cent), SHOs (50 *per cent*) and SsP (20 *per cent*) with reference to the underlying old/past records.

NCRB also observed (April 2013) that the quality of data digitisation was not up to the mark. SCRB issued instructions (May 2013) to all SsP for validation of digitised data by Sub-inspector/ Assistant Sub-inspector of the respective PSs (100 *per cent*), head of the PS (50 *per cent*), District SP (20-25 *per cent*) and Nodal Officer of the State (10-15 *per cent*).

Subsequently, the process of data digitisation continued from November 2012 to August 2015 and 70 *per cent* of the data pertaining to old/past cases was digitised, but with errors of more than 95 *per cent*, as observed by SCRB (August 2015).

Since more than 95 *per cent* of the digitised data pertaining to old/past case records was found to have been entered incorrectly, SCRB decided August 2015 to discard the entire digitised data. Thus, the digitisation process got delayed.

2.4.3 Deficiencies in attempt to digitise data pertaining to old/past records through pre-defined data templates filled by Police Stations

After the above decision to discard the incorrect digitised data, the Apex Committee (August 2015) suggested to follow the model for digitisation adopted in Tamil Nadu, wherein data pertaining to old/past records was to be filled into pre-defined data templates by each Police Station and data entry work from these templates was to be carried out at district level by the SI.

Accordingly, this model for data digitisation started in November 2015. During review (April 2016) of the digitised data using this model, SCRB found that there were 30 to 40 *per cent* of errors in the data entered into CCTNS. Also, given the pace of progress made in digitizing data using this model, SCRB observed that completion of the process would require four years' time, which would be beyond the contract period of the SI. As a result, SCRB decided (July 2016) to discontinue data digitisation using this model.

2.4.4 Change of scope of work for digitisation of data pertaining to old/past case records

After discarding the data entered directly by the SI (95 *per cent* incorrect data) and after discontinuing the data entered through data templates filled in by Police Stations (30-40 *per cent* incorrect data), SCRB decided (21 June 2016) to digitise data pertaining to non-SR¹¹ cases by limiting the data to only those

¹¹ Special Report Cases relate to heinous crimes like rape, murder etc. Non-SR cases are those other than SR Cases as declared by the SP.

contained in the physical Crime Index Registers and limiting the old/past records in these cases to only the scanned copy of the physical Crime Index Registers, while continuing to digitise the full data pertaining to SR cases from the data template formats filled in by Police Stations along with scanning and uploading of all the underlying old/past records.

In this way, by March 2017, only partial digitisation of old/past records had reportedly been completed, covering the period 2004–2014 for all 36 police districts.

Audit reviewed the digitized old/past records and the digitised data pertaining to the old/past records in CCTNS and made the following observations :

2.4.5 Deficiencies in digitised data and digitised old/past records

- Scan and upload of key old/past records such as photos of the accused, judgement copies, confession statements of the accused, images of fingerprints, post-mortem certificates, wound certificates, medical reports for the accused and victims *etc.*, which were required to be carried out as per SOP had not been completed.
- Data¹² from the Crime Index Registers of 7,29,231 FIRs and 7,10,213 Chargesheets were required to be digitised. Out of these, the full set of data fields related to 7,28,354 FIRs (99.88 *per cent*) and 7,10,207 Chargesheets (100 *per cent*) were not entered. Due to this, the old/past data on FIRs and Chargesheets was incomplete and of limited relevance to users.
- Crime Detail Forms (IIF-II) had not been digitized. Only crime detail form serial numbers had been entered into the database against the FIRs digitized.
- Arrest Memo (IIF-III) details for the period 2005-11 had not been entered into the system. The number of Arrest Memos supposed to be uploaded in the system was 1,780 (2012), 21,608 (2013) and 91,547 (2014) but the details entered into the system were incomplete.
- Seizure Memo (IIF-IV) details for the period 2005-11 had not been entered into the system. For the years 2012, 2013 and 2014, the number of Seizure Memos whose details were entered was not complete, with only 1,671, 18,857 and 71,091 entered into the system respectively.

¹² Contains FIR Number, Place of occurrence, Date and time of complain received at PS, FIR date, name and address of the complainant/ informant and accused, name of the police personnel who is deployed for investigation by IIC, Crime with section of Act, Date and form of final report, name of person sent up to court and absconding

- Complete details of 6.44 lakh Court Disposal Memos from the years 2005 to 2014 had not been entered into the system. Only the Court Case numbers had been entered into the database. As the name of the Court, name of the Judge, Judgement Date, Court remarks, name of the Public Prosecutor *etc.*, had not been entered, the data was of limited use and relevance to the users, and the system could not facilitate meaningful retrieval of data. The current status and result of the trial process was not recorded in the system.
- No data had been entered in respect of result of Appeal Forms (IIF-VII), Man Missing Reports (IIF-VIII) and Unnatural Death Cases (IIF-XI).
- **Presence of gaps in FIR serial numbers:-**The FIR serial number is systematically generated, beginning with '0001' for each Police Station and calendar year to ensure the uniqueness of FIRs. The system generates sequential numbers, and therefore there should be no gap between two consecutive FIR serial numbers.

Audit analysed the digitised data for the period from 2005 to 2014 in CCTNS and noticed that data pertaining to 7,29,231 FIRs had been entered for this period. However, there were gaps ranging from one to 8,385 between two consecutive FIR serial numbers in 1,645 instances during this period, as shown below:

Table 2.4: Year-wise instances where there were gaps in FIR numbers

Year	Number of instances	Gap range between two consecutive FIR	
		Minimum Gap	Maximum Gap
2005	400	1	208
2006	449	1	1,086
2007	173	1	241
2008	177	1	1,814
2009	5	1	224
2010	10	1	403
2011	16	1	1,650
2012	44	1	1,768
2013	76	1	123
2014	295	1	8,385
Grand Total	1,645		

Source: CCTNS database

These gaps indicated lack of due diligence in data entry, since the data for the missing FIR serial numbers had not been digitised.

Penal provisions

The amount in bundle of services as per Agreement with System Integrator for ₹42.71 crore, which included the charges for digitization amounting to ₹61.11

lakh. Clause 3 on the violations and associated penalties of the Agreement with System Integrator provides that number of violations in the reporting period for each level of severity will be totalled and used for calculation of penalties. For each high severity violation 0.1 *per cent* and for medium severity violation 0.05 *per cent* of respective payment was to be deducted as penalty.

Despite the penal provisions, no severity assessment of the violations/ erroneous performance in the process of data migration/ digitisation was conducted. No calculation of amount for imposition of penalty as per the agreement was done.

2.4.6 Non-Migration of legacy data from CCIS/ CIPA applications to CCTNS

As per the contract with the SI, legacy data pertaining to 4.60 lakhs FIRs for the period from January 1993 to December 2004 from the CCIS/ CIPA applications was to be migrated to CCTNS using a Data Migration Utility (DMU) supplied by NCRB.

However, this legacy data was stated to have been stored separately in the database in the production server, along with the CCIS/ CIPA data restored at the State Data Centre. This legacy data had also not been transferred to NDC, due to which other States could not access and use the legacy data.

The absence of migration of legacy data not only resulted in non-compliance with the contractual terms by the SI, but also resulted in the objectives of antecedent search, statistical analysis and generation of comparative statements not being achieved.

With regard to audit observations on digitisation of old/past records, Government admitted the presence of the errors in the digitisation of legacy data and assured (September 2024) to take due care so that such mistakes are not repeated in future.

Recommendation

Government should ensure that

- *tendering process is conducted in compliance with Rules, in a fair and transparent manner. Change of scope of projects should be avoided after selection of the system integrator; and*
- *appropriate steps should be taken to digitize physical records and data related to those records, to enable migration of legacy data into the system.*