



KERALA STATE ELECTRICITY BOARD LIMITED
(Incorporated under the Companies Act, 1956)
Registered Office: Vidyuthi Bhavanam, Pattom,
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ABSTRACT

Implementation of Enterprise Resource Planning (ERP) in KSEBL under IPDS as Partial turnkey basis / departmental execution – Appointment of M/s. KPMG Advisory Service Private Limited as Project Management Agency (PMA) – Extension of Contract – Sanctioned – Orders issued.

CORPORATE OFFICE (IT)

B.O.(FTD) No. 790/2019(IT/Proj/IPDS/PMA/ERP/2019-20/) Thiruvananthapuram, dated 28.10.2019

Read: 1. B.O. (FTD) No. 403/2019(IT/Proj/IPDS/ERP/2019-20/), dated 20.05.2019.

2. Note no. IT/Proj/IPDS/PMA/ERP/2019-20/175 dated 21.10.2019 of the Chief Engineer (IT, CR & CAPs) to the Full Time Directors (Agenda No. 63/10/19).

ORDER

The Chief Engineer (IT, CR & CAPs) in the note read above has reported that Integrated Power Development Scheme (IPDS) has been launched by the Ministry of Power, Government of India and as per IPDS guidelines, IT enablement of distribution sector is envisaged to be covered as per requirement of utility. Even though, the ERP implementation was not included under IPDS initially, KSEBL had decided to implement a comprehensive ERP solution by itself following IPDS guidelines expecting to include ERP implementation in future IPDS projects and M/s. KPMG Advisory Service Private Limited was appointed as the Project Management Agency (PMA) on 13.10.2016 to conduct As-Is-Study, Gap-Analysis of business processes and work flow of applications, preparation of DPR & a vendor neutral RFP and to hand hold KSEBL till the completion of ERP implementation for Rs. 60 Lakhs (excluding taxes). The period of engagement for the PMA was for 21 months, which was till the end of October 2018.

Later, as directed by the General Manager (IPDS) - PFC, a Detailed Project Report (DPR) for ERP implementation was prepared for Rs. 42.64 Crore and submitted to PFC on 04.10.2017 on PFC's standard template, with the assistance of PMA. The DPR was approved on 07.02.2018, with a grant component of Rs. 25.79 Crore with Partial Turn Key based execution mode.

As the period of engagement for the PMA was for 21 months, (which was till the end of October 2018) only 35% of the deliverables (covering submission of preliminary Project plan, report on processes & procedures, As-Is study and Gap Analysis and preparation and submission of DPR) were completed. Hence, the contract was extended for a further period of one year (up to 1st November 2019) without any additional financial commitment. Out of the total project cost of Rs. 60 Lakhs (excluding taxes) awarded to PMA, Rs. 36 Lakhs (excluding taxes) has been released so far as milestone payments and Rs. 24 Lakhs (excluding taxes) is pending.

Tender was invited on 26.11.2018 and re-tendered on 21.01.2019 for identifying an implementation agency for implementing ERP solution in Open Source platform. No vendors with qualification of IPDS guidelines and Open Source project experience participated in both the tenders.

The Chief Engineer (IT, CR & CAPs) has further reported that subsequent to the invitation of tenders, as per B.O. read as 1st paper above, sanction was accorded to carry out customization / development and implementation of ERP solution with in-house development team under IT wing, as part of Partial turnkey based execution sanctioned by PFC and supply, installation & commissioning of servers, storage etc. through open tender process. Hence, the services of PMA are essential for the successful completion of the project, which is scheduled for completion by the end of August 2020. The presence of PMA is also essential in the meetings conducted by PFC at New Delhi to review the progress of implementation of ERP solution in Power Utilities. As per IPDS guidelines, the invoices are also to be certified by PMA for making payments through PFMS portal. In order to claim the departmental execution cost also PMA certification is required. Further, assistance of PMA is required for preparation of essential documentation such as System Requirement Specification (SRS), High and Low Level Design documents (HLD & LLD), Data Flow Diagram (DFD) etc. as additional scopes in contract.

M/s. KPMG has requested for a retainer-ship fee for further availing the services of PMA from 1st November 2019 onwards, by engaging a "Consultant (10 years and < 15 years)" at a monthly rate of Rs. 3,34,800/- (excluding applicable taxes).

In view of the above, the Chief Engineer (IT, CR & CAPs) has recommended to extend the contract for PMA, M/s. KPMG till the end of August 2020 (10 months), with a monthly retainer-ship fee of Rs. 3,34,800 (excluding taxes) in addition to the pending amount as per milestone based payments.

Having considered the recommendation of the Chief Engineer (IT, CR & CAPs), as per note read above, the Full Time Directors in the meeting held on 23.10.2019 resolved to accord sanction to extend the contract for PMA, M/s. KPMG from November 2019 to August 2020 (10 months), with a monthly retainer-ship fee of Rs. 3,34,800 (excluding taxes) in addition to the pending milestone based payments.

Orders are issued accordingly.

**By Order of the
Full Time Directors**

Sd/-

**Lekha G.
Company Secretary (I/C)**

To

The Chief Engineer (IT, CR & CAPs)

Copy to:

1. The Financial Advisor / CIA, K S E B L
2. The TA to CMD / Director D, IT & HRM / T, SO & Safety / GE & SCM / GC
3. The PA to the Director (Finance)/Secretary (Administration)
4. Records/Stock file and Library / AB Section

Forwarded / By Order


Assistant Executive Engineer