

Revised Payment terms

4. Payment Terms

Payment for Solution:

S.No.	Description	Payment (subject to deduction as in SLA)
1	Completion of Milestone 1 as in revised section 3.21 Project timeline.	30 % of purchase order value of line item number 1 of commercial bid.
2	Completion of Milestone 2 as in revised section 3.21 Project timeline.	60 % of purchase order value of line item number 1 of commercial bid.
3	Completion of Milestone 3 as in revised section 3.21 Project timeline.	10 % of purchase order value of line item number 1 of commercial bid.
4	Completion of Milestone 4 as in revised section 3.21 Project timeline.	Purchase order value of (line item number 4 of commercial bid minus line item number 5 of commercial bid).

Documents to be produced for release of payment:-

Payment against Milestone 1

- Delivery Challans “Proof of Delivery” in original
- Delivery Certificates for Software licenses

- Verification of above deliverables and any other, if needed by Authorised LIC officials not below the rank of Assistant Secretary at CO, IT Mumbai.
- Receipt of basic Installation certificate & sign-off duly signed and stamped by the Bidder, and countersigned by the officials of IT dept., LIC Central Office, Mumbai.

Payment against Milestone 2

- Receipt of Installation/implementation certificate & sign-off duly signed and stamped by the Bidder, and countersigned by the officials of IT dept., LIC Central Office.
- Certificate by the bidder indemnifying the Corporation against Violation of Copyright and Patents.
- Certificate by the bidder that software licenses comply with OEMs guidelines / requirements.
- Proper documentation (soft & hard copy) for the full project (product wise) should also be submitted with regard to the configuration, commands used, trouble shootings done in configuration phase etc to LIC Central Office – IT officials handling the project.

Payment against Milestone 3

- Completion Certificate for Training as per scope of work.

Payment against Milestone 4

- Receipt of Installation/completion certificate & sign-off duly signed and stamped by the Bidder, and countersigned by the officials of IT dept., LIC Central Office.

In addition the following conditions for payment shall apply:

1. No advance payment will be made by LIC.
2. The payment will be released from IT department, Central Office.
3. If Components are not delivered within the time schedule for delivery and installation, penalty will be applicable as per SLA.
4. The total penalty for delivery and installation shall not exceed the total PO Value.

Payment for AMC and L1 (onsite) Support will be done on quarterly basis at the end of each quarter on production of the following:

1. Invoice for the amount payable.
2. Verification of 'Service level agreements' defined in this bid.
3. Payment for the Onsite Services will be done on quarterly basis at the end of each quarter on production of the following:
4. Performance Report of the onsite Personnel.
5. The Performance report will be given by LIC administrators considering the various attributes of the Personnel related to the project deliverables.
6. Verification of 'Service level agreements' defined in this bid.
7. The Amount against Penalties if any will be recoverable from any payment due to the vendor OR from performance Bank Guarantee.

Other Terms & Conditions

- a. No advance payment or interest shall be made by LIC.
- b. LIC shall make payments in Indian Rupee (INR) on receipt of invoice, after deduction of Penalties and applicable taxes at source from the agreed price to the Vendor.
- c. All payments shall be released by the Central Office, Mumbai.
- d. Ordinarily, payment related objections must be raised within seven days of the settlement and after the cure period of 3 months, no objection related to payment shall be entertained from the vendor.
- e. LIC shall have the right to recover all short recoveries of tax, related cess and surcharges, interest and penalties as per the demand note of Income Tax dept. or any other Government body or regulator.
- f. The vendor shall be solely responsible to make payment to OEM Vendors.
- g. The Amount against Penalties, if any, shall be recoverable from any payment due to the Vendor OR from performance Bank Guarantee.

4.2. Rates and Taxes

4.2.1. Rates

Rates payable to the vendor shall be fixed as derived from the Final L1 quote after Online Reverse Auction and shall be exclusive of GST (or equivalent tax imposed on the service which is the subject of this RFP). Rates once fixed shall be valid throughout entire contract period.

4.2.2. Taxes and Duties

Vendors shall be entirely responsible for all taxes, duties, license fees, road permits, and transit insurance etc. However LIC shall reimburse GST to the vendor for the goods and services directly supplied/rendered to LIC wherever applicable.

4.2.3. Deduction of Taxes at Source

LIC shall deduct taxes from the amounts due and payable to the Vendor wherever applicable. LIC shall provide Vendor with the statement of any taxes deducted by LIC on payments under the contract. The Vendor agrees to reimburse and hold LIC harmless from any deficiency including penalties and interest relating to taxes including recovery of any tax retrospectively that are its responsibility under this clause. For purposes of the contract, taxes shall include taxes incurred on transactions between LIC and the Vendor.