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Dear Department Users/ Suppliers & Contractors,

Sub: eProcurement- Security and Secrecy of Price bids - Regarding

There have been some misinformation campaign by certain vested interests relating to alleged compromise in security and secrecy of tender data submitted in the eProcurement platform of Government of Andhra Pradesh on account of non encryption of sensitive data and malicious System administrator etc. The issues raised are purely hypothetical, self presuming and lacking any basis. All the users are requested to note that the misinformation campaign is unleashed by a company, which is locked in legal battle with M/s C1 India Pvt Ltd (Service provider of GoAP eProcurement platform), out of business rivalry with ulterior motives. However, the IT&C Department of GoAP have reviewed the processes relating to encryption in eProcurement application and satisfied that all transactions on eProcurement platform are conducted in most secured way without any compromise on security and secrecy of sensitive tender data by the System Administrator.

The IT&C Department of GoAP is aware that the security & secrecy of tender data is of paramount importance as the portal handles sensitive procurement transactions of Govt departments and has foreseen the security concerns during the conception stage of the eProcurement project. Accordingly, following stringent security measures are already implemented in the system to ensure that transactions on eProcurement portal happen in the most secured manner.



- Physical security of Data Center. Entry to the Data center is with Bio metric smart cards, round the clock CCTV monitoring and under strict personal supervision of Data Center personnel.
- Web security through 128 bit Secured Socket Layer (SSL) Technology from client end to server for secured passage of data
- Fire walls, intrusion detection system, online virus check, up to date anti virus system, online OS patches to prevent malicious attacks
- Network monitoring system to monitor the service levels of the site.
- Sound back up methods for storing data.
- Comprehensive Audit Logs of all events that are taking place on the platform
- Access controls, sharing of functions between system administrator and data base administrator
- Third party security audit of eProcurement system. M/s. PWC has conducted security audit in pilot phase (2003) and has expressed that security is uncompromising. APTS is in the process of finalizing security consultant for taking up another third party security audit of the system at the earliest.
- Encryption of sensitive data (price bids). Public Key Infrastructure is Implemented through Digital Certificates issued by third party Certifying Agency (TCS) in compliance to IT Act.

The sensitive data (Price bids) submitted by the bidder travels from the client machine to the server through 128 bit Secured socket layer and is encrypted with the Buyer's Digital certificate at the server side using TCS control tools. The data (price bid) is stored in encrypted format in the database and cannot be viewed in readable format by anyone including the database administrator prior to decrypting the bid by the buyer with his private



key on lapse of specified time and date of opening of bids. These processes were shown to the media during tender opening of high value EPC tenders under 'Jalayagnam' programme.

The Public Key Infrastructure is a fool proof measure for maintaining secrecy and security of Data as the System administrator would not be able to decrypt the bids on his own and they will not be in a position to view the bids as the data is stored in an encrypted mode in non-readable form. In addition to this, the bid opening is governed by date and time fixed for opening, which is basically server time hosted in a very secured professionally managed data center. In view of this multi level checks and balances implemented in the system, the security & secrecy of sensitive data is assured. **Therefore, the eProcurement transactions are carried out in most secured manner to the benefit of society at large.**

So far, the Govt Departments, PSUs, Municipalities have processed 9841 tenders aggregating to Rs 32578 Crores from January 2003 to end of November 2005 on eProcurement platform. All these transactions were carried out in a very secured manner without a single instance of complaint from the suppliers/contractors about their bid values getting tampered or some favoured bidder getting advantage due to breach of secrecy by the service provider or others. The proof could also be corroborated from the fact that most of the completed transactions on eprocurement portal (90 % of tenders) are discounted quotations to a tune of 8 -10 % over the estimated rates, which resulted in savings of more than Rs.2000 crores of public money to the Govt of Andhra Pradesh. It is pertinent to highlight that in several tenders with a single bidder participation, the price bid quotations were on lower side of estimated value. This could not have been possible had the

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security and secrecy of bids submitted by bidders been compromised by the service provider.

It is to once again emphasise that the security measures implemented in eprocurement platform of GoAP are on the lines of best practices in the industry and are being reviewed regularly. The transactions processed on www.eprocurement.gov.in are happening in the most secured way without any security compromise at any level.

Yours sincerely,

Sd/-

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