

## **ITEM NO. 39 (I-04)**

1) **Name of the Subject/project:** Implementation of scheme of Cash Card for collection of online payments from NDMC customers through Web and SMS interface.

2) **Name of the deptt./deptts. :** Information Technology Department.

3) **Brief history of the subject/project:**

Presently, NDMC consumers can pay their bills by visiting CFCs, NDMC office or online through credit card. Some Customers may not have credit or debit card. Some customers may not prefer to use credit cards for small amount transactions. Some customers may not want to use credit cards due to disclosing their card numbers over internet. Cash card will be an additional and convenient option for consumers to pay their bills online on NDMC website. The card can be used by the consumers who may not have credit or debit card for purchase or payment of bills on the internet. This will empower the citizen to pay their dues round the clock.

The citizens have been using cash cards for online train and airline ticket booking, Energy and telephone bill payment, online shopping, mobile prepaid top ups and post paid bill payment. The cash cards are acceptable on various major sites such as [www.irctc.co.in](http://www.irctc.co.in), [www.railtourismindia.com](http://www.railtourismindia.com), [www.bsnl.co.in](http://www.bsnl.co.in), [www.yatra.com](http://www.yatra.com), [www.mcdpropertytax.in](http://www.mcdpropertytax.in) and many more.

The case was placed before the Council vide agenda item No. 12(I-02) dated 15th Apr.'09 & was deferred due to model code of conduct.

4) **Detailed proposal on the subject/project:**

M/s itzCash Card Ltd. submitted a proposal in August, 2008 for implementation of itzCash Card for collection of online payments in NDMC. As per the proposal, it is a cashless transaction as far as NDMC is concerned. The cash cards had already been implemented in MCD, IRCTC etc. NDMC would incur only nominal cost. It will reduce NDMC cash collection and cash handling security risk.

Various meeting were held to discuss implementation issues from time to time regarding Security Deposit, reconciliation / settlement of payments, Changes/ alterations in the existing software etc.

The major extracts of meetings are given as under:-

- (i) The firm should deposit the payments through cash/ RTGS (Real Time Gross Settlement System) in the NDMC and reconcile / settle payments twice/ thrice in a week to facilitate fast settlement.
- (ii) The firm should send MIS report to NDMC through e-mail containing the details of the transactions done on daily basis.
- (iii) The firm should deposit Rs. 5 Lakhs as security deposit to NDMC before starting the collection of payments. If collection exceeds the limit of security deposit, the proposed system will not accept payments from clients on behalf of NDMC.
- (iv) NDMC will make necessary changes/ alterations and integration with the existing running software modules.
- (v) It is technically possible that the amount collected by the service provider will always be less than the security deposit amount.

- (vi) The convenience fee or any taxes will be recovered from the customer and not from the NDMC. Therefore, there will be **no additional financial burden on NDMC during the transactions between service provider and customer.**

Finally, it was decided that the service provider for implementation of Cash Card for collection of online payments from NDMC customers through Web and SMS interface will be selected through call of open tenders.

**5) Financial implications of the proposed/subject:**

NDMC will incur nominal cost towards necessary changes/ alterations and integration with the existing running software modules.

**6) Implementation schedule with timeliness for each stage including internal processing:**

The expected time for implementation would be **Six months** which would include publishing of NIT, submission of bids, evaluation of bids, finalization of contract, signing of contract and agreement.

**7) Comments of the Finance deptt. on the subject :**

Vide diary no. 1038/Finance dated 14/05/2009, Finance department has no objection to the proposal of department.

**8) Comments of the Deptt. on comments of Finance Deptt. :**

No Comments

**9) Legal implication of the subject/project:**

No

**10) Comments of the Law deptt. on the subject :**

- i) How many persons have availed this facility in MCD?
- ii) How have we selected "ICCL"? This is a private company and there may be similar companies in private sector.
- iii) There is no provision in our act to permit a private party, which is not a scheduled bank to have financial dealing with NDMC or for NDMC to have such dealing with private player. I am not in favour of municipal funds be collected by a private player and kept by him for seven days.
- iv) There is probably already a case in which NDMC could not get electronic Cheque being reconciled to NDMC accord when such collections were by a private player.
- v) If the facts are not as I have understood. We can discuss. We may agree to municipal funds being collected by persons dealing with SBI/and banks approved by Council.

**11) Comments of the Deptt. on comments of Law Deptt. :**

- i) As per the proposal of M/s ICCL, They had already started operations at MCD – Property tax online on 22/06/2008 and collected approx. Rs. 2 Crores with over 11000 transactions in 9 working days.

- ii) Now, IT department will select the service provider for implementation of Cash Card for collection of online payments in NDMC through open tendering process.
- iii & iv) The firm provider will deposit Rs. 5 Lakhs as security deposit to NDMC before starting the collection of payments. If collection exceeds the limit of security deposit, the proposed system will not accept payments from clients on behalf of NDMC. The service provider will deposit the payments through cash/ RTGS (Real Time Gross Settlement System) in the NDMC and reconcile / settle payments twice / thrice in a week.
- v) A meeting was held on 17/12/2008 under the chairmanship of FA to discuss implementation of ItzCash Card for collection of online payments in NDMC in presence of LA, MOH, Director (Commercial), Director (Tax), Director (IT), JT. CAO-III, Jt. CAO-II, Jt. Director (Statistics) and DD (IT). The service provider should have online transaction account with one of nationalized bank/ Axis Bank/ ICICI bank. The service provider should be eligible and qualified as per Laws in India to provide the said service.

Department decided that the service provider will be selected through tendering process. Hence, all the observations pertaining to ItzCash Cards should not be taken into consideration.

**12) Details of previous Council Resolutions, existing law of Parliament and Assembly on the subject :**  
Nil

**13) Certification by the department that All Central Vigilance Commission (CVC) guidelines have been followed while processing the case:-**  
It is certified that CVC guidelines would be followed during tendering.

**14) Recommendation:** The department recommends for implementation of scheme of Cash Card for collection of online payments from NDMC customers through Web and SMS interface through call of open tenders. The department may initiate action in anticipation of confirmation of minutes.

**15) Draft Resolution:** It is resolved that scheme of Cash Card for collection of online payments from NDMC customers through Web and SMS interface may be implemented through call of open tenders.

It was further resolved that the Department may initiate action in anticipation of confirmation of the minutes by the Council.

### **COUNCIL'S DECISION**

Resolved by the Council to implement the scheme of Cash Card, for collection of online payments from NDMC customers, through Web and SMS interface, through call of open tenders.

It was also resolved that further action in the matter be taken in anticipation of confirmation of the minutes by the Council.