

Successful organisation of the Games required several integrated technical solutions – a Timing, Scoring and Results (TSR) system, a Games Management System (GMS), a Games Time Website, and supporting IT, telecom and network infrastructure.

The TSR system is required for capturing and disseminating the detailed results of a competition. We found that planning for TSR was badly delayed and initiated only in January 2009. The tendering and award (including re-tendering) process took an unusually long period of 13 months from March 2009 to March 2010. There was an abnormal six months gap between the 1st EOI in March 2009 and the issue of the RFP (for the 2nd tender) in October 2009. There were clear and repeated interventions at different stages to steer the TSR contract towards Swiss Timing Omega and eliminate MSL, Spain.

- *The technology consultant recommended award of the contract on nomination basis to Swiss Timing Omega.*
- *The RFP (for the 2nd tender) favoured Swiss Timing Omega by stipulating experience in Asian Games, CWG or Olympics during the last five years with “end-to-end service”; this was further amended to change the service requirements from “Timing, Scoring and/or Results” to “Timing Scoring and Results”.*
- *MSL, Spain was irregularly disqualified at the PQ stage, overruling objections from two members of the Evaluation Committee. MSL, Spain and Swiss Timing Omega had jointly provided TSR solutions for Melbourne CWG-2006, Doha Asian Games-2006 and Beijing Olympics 2008. Both MSL and Swiss Timing Omega were equally qualified / unqualified as to the “end-to-end service requirement” or the requirement to provide Timing, Scoring and Results. Further, the fact that MSL had been appointed for providing TSR for 2010 Asian Games Guangzhou was not considered.*

OC was thus left with a single financial bidder, effectively eliminating any opportunity for competitive pricing of TSR. This facilitated award of the TSR contract to Swiss Timing Omega at an exorbitant cost of Rs. 135.27 crore (compared to just Rs.39.84 crore equivalent at Melbourne CWG-2006 from the same vendor).

There were several deficiencies in the performance of TSR. TSR was not tested either during the test events, or in a real-time Games situation. The Commentary Information System (CIS) and remote CIS did not function properly during most part of the Games. The Games Information System (provided as Value-in-Kind sponsorship by Swiss Timing Omega) also did not function properly.

The award of the Games Management System (GMS - the primary IT application for administration of the Games) was also flawed. As in the case of TSR, the RFP conditions were unduly restrictive by stipulating experience in Asian Games, CWG or Olympics during the last five years. Three out of four bidders were disqualified, with MSL, Spain being eliminated through a biased evaluation. However, Gold Medal Systems was declared eligible, despite not submitting any documentation in support of its financial strength and finally awarded the GMS contract at a total cost of Rs. 25.29 crore (compared to just Rs. 4.15 crore equivalent at Melbourne-CWG from the same vendor).

Inexplicably, OC failed to consider the need for a Games Time website (the main Internet platform for disseminating real-time information on sporting events during the Games) till June 2010. The award of the contract to HT-Hungama was flawed and irregular. In the absence of bids being received in a sealed cover, associated complaints, and a cash discount (which we cannot confirm if it was received with the bid) making the L-3 bidder into L-1, the award procedures appeared to lack transparency. In addition to adverse media reports about the website's performance, the CGF President also confirmed serious problems with the website; documentation with OC on this aspect was, however, sparse and unreliable.

In October 2009, OC appointed Telecommunications Consultants India Ltd. (TCIL), a PSU, as a turnkey implementation agency for telecom, IT and networking projects and paid Rs. 18.66 crore. We found that the engagement of TCIL was unjustified, and TCIL's contract was not implemented in turnkey mode (with OC remaining in full control of approval of individual contracts).

Further, TCIL's consulting services/ advice was only taken in a selective manner, and not used at all for telecom services.

OC had not properly planned the decommissioning of technology and IT equipment. Rs. 21.04 crore of leased equipment was yet to be returned to the vendors, while procured items were still lying with the OC.

12.1 Overview of Technology Requirements

The main technology requirements for successful staging of the Games covered:

- A Timing, Scoring and Results (TSR) system for capturing details of the results of the sporting events, and other associated systems/ modules;
- A Games Management System (GMS) for supporting administration of the Games;
- A Games Time Internet website for enabling public access to full details of sporting results; and
- IT, telecom and network infrastructure to support the above systems and normal office automation applications.

12.2 Management of Technology Functional Area

We found that there was lack of adequate leadership, advice and continuity for the Technology Functional Area:

- There were as many as nine key persons associated with the functional area at different points of time:

Table 12.1 — Key persons associated with Technology Functional Area

People associated	Period
VK Gautam	September 2007 to October 2009
SK Dass	January – April 2008
Sujit Panigrahi	October 2008 – December 2009
Sandeep Arya	November 2009 – December 2009
Ajit Sirohi	December 2009 – February 2010
Sunil Arya	February – November 2010
Harsh Kumar	February 2010 till date

- Shri Brian Nourse prepared the Functional Area report for technology in August 2007 on behalf of EKS, and was subsequently appointed twice as Consultant by the OC – from December 2007 in intermittent spells, and continuously from September 2009 to October 2010¹. On both occasions, his scope of work was not clearly defined, timelines were not given, and payments were not linked to achievement of deliverables.

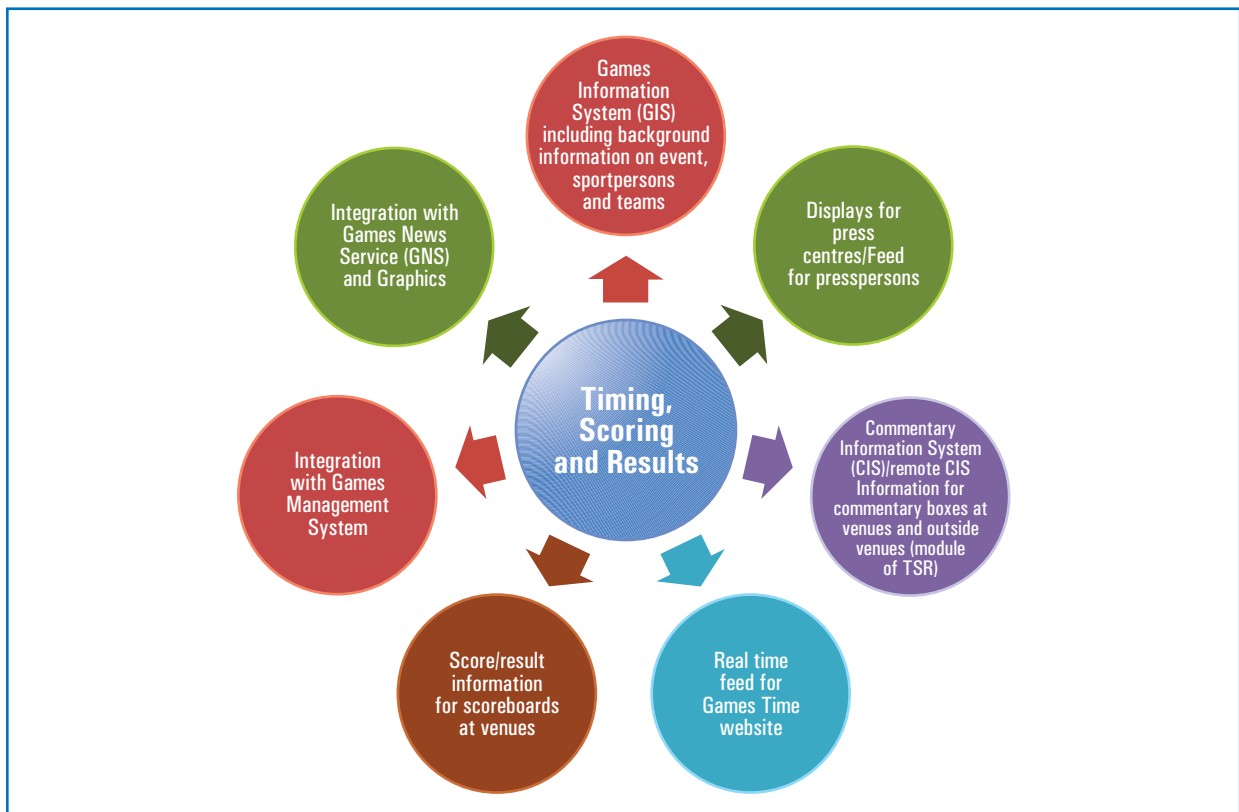
12.3 Timing, Scoring and Results (TSR) System

12.3.1 Overview

The Timing, Scoring and Results (TSR) system captures the detailed results of a competition, both during and at the conclusion of the session, and distributes this information, while ensuring consistency in results, outputs and graphics. An overview of the TSR system and integration with other systems is depicted below:

¹ Shri Nourse's contract was terminated by the OC in March 2010, in order to enable him to commence work for Glasgow CWG-2014.

Figure 12.1 – Overview of TSR System and integration with other systems



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OC procured the TSR system from Swiss Timing Omega at a cost of Rs. 112.45 crore (CHF 2,49,90,000) with an additional liability of Rs 22.82 crore for service tax (Rs. 11.58 crore) and withholding tax (Rs. 11.24 crore).

12.3.2 Delays in Planning

We found that planning for TSR for CWG-2010 was badly delayed and the first draft of the scope of work for TSR was prepared only in January 2009². By contrast, planning for TSR services for London Olympics-2012 started four years in advance. The delays at the planning stage were primarily attributable to lack of internal expertise and complete reliance on the consultant.

² Shri Bhanot, however, announced at a meeting of the Centralised Co-ordination Committee in December 2008 that Swiss Timing Omega would be providing the TSR equipment, even before the TSR scope of work was prepared.

12.3.3 Budgeting

The original budget for TSR-related activities of Rs. 57.53 crore was increased to Rs. 109.53 crore by the EFC in October 2009. The total cost of TSR of Rs. 135.27 crore exceeded the budget by Rs. 25.74 crore, despite the absence of any additional budget allotment / re-appropriation.

Abnormally high cost of TSR in CWG-2010 as compared to Melbourne CWG-2006

OC procured the TSR system at an abnormally high sum of Rs. 135.27 crore from Swiss Timing Omega in March 2010, as compared to Rs 39.84 crore³ (AUD \$12 million) spent for Melbourne CWG - 2006 for procuring the system from the same manufacturer i.e. Swiss Timing Omega. This additional cost is abnormally high and calls into question the reliability of the contracting procedure.

³ 1AUD=Rs.33.20 (as on 1.1.2006)

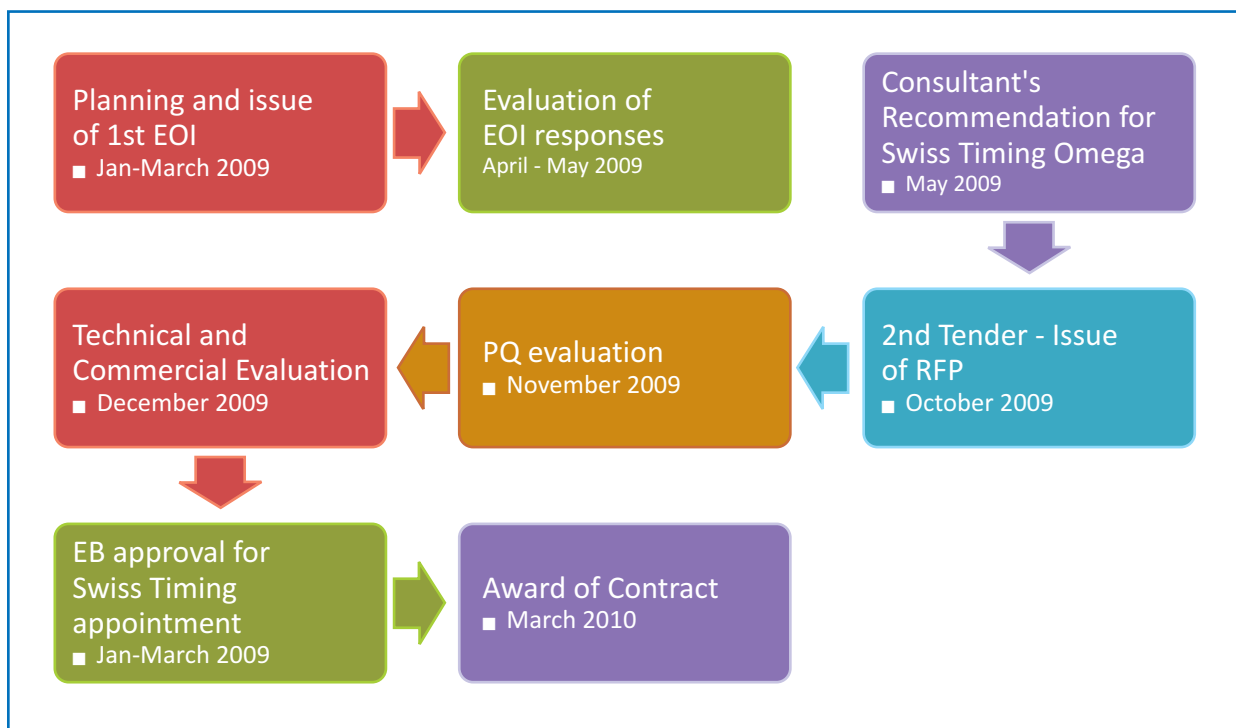
Originally, TSR was envisaged as a legacy item to be procured centrally by an agency to be designated by MYAS out of the budget provision of venue owners⁴. It is only in the EFC meeting of October 2009 that Shri VK Verma, DGOC stated that the TSR equipment would be on “lease in- lease out” basis. However, the budget for TSR was still given as a grant, rather than a loan.

When the final accounts of the OC are drawn up, this should be treated as a loan for accounting purposes, although the ultimate deficit will necessarily have to be borne by Gol.

12.3.4 Award of TSR Contract

We found unduly long delays in the tendering and award of the TSR contract:

Figure 12.2 – Undue delays in tendering and award of TSR contract



There was an abnormally long gap of six months between the first EOI (March 2009) and the issue of RFP (October 2009), which was punctuated only by the consultant's discussion paper (May 2009) making a case for engaging Swiss Timing Omega on nomination basis.

Such unwarranted and unexplained delays, particularly at a stage in organizing the Games when shortage of time was a critical concern, suggest considerations other than ensuring fair and transparent practices in award of the contract which are borne out by our findings.

⁴ As clarified in the December 2008 meeting of the Centralised Co-ordination Committee.

We observed that there were clear and repeated interventions to steer the contract towards Swiss Timing Omega and eliminate MSL, Spain and other potential bidders

through biased technical evaluations to restrict competition that resulted in a single financial bid with no scope for competitive pricing:

Table 12.1- Chronology of events relating to TSR contract

Timeline	Stage	Intervention
December 2008	Centralised Co-ordination Committee Meeting	<ul style="list-style-type: none"> Announcement by Shri Lalit Bhanot that the hardware for TSR would be supplied by Swiss Timing Omega
March 2009	EOI	<ul style="list-style-type: none"> The EOI listed five eligibility criteria and stated that '<i>only Swiss Timing Omega meets all the above criteria</i>'. Shri VK Gautam, COO opposed the process, as the Technology FA was not involved.
April-May 2009	Responses to EOI	<ul style="list-style-type: none"> Two responses were received from TechnoVision SPA (Italy) and Mondo (India) Shri Bhanot, however, constituted an evaluation committee, which rejected both bids. Shri Bhanot recommended Swiss Timing Omega for TSR to the MYAS. No further action was taken.
May 2009	Consultant's Discussion Paper to Shri Bhanot	<ul style="list-style-type: none"> The consultant recommended a single supplier approach for all TSR components and suggested confirmation of the scope of work and direct negotiations with Swiss Timing Omega.
October 2009	RFP (2 nd round of tendering)	<p>The RFP clauses restricted competition and favoured Swiss Timing Omega</p> <ul style="list-style-type: none"> Experience of providing TSR systems in Asian, CWG or Olympics during the last five years – despite objections of the then ADG (Technology) and Shri Gautam about its restrictive nature and suggestions to include Pan-American or other similar multi-sporting events, the clause was retained by Shri VK Verma, DG-OC, without recorded reasons. The scope of work required “end to end service” associated with CWG (incidentally, neither Swiss Timing Omega nor MSL, Spain fulfilled this criteria on their own). The RFP was amended to change the service requirement from 'Timing, Scoring and/or Results' to 'Timing Scoring and Results'. This change formed the basis for rejecting MSL.

Timeline	Stage	Intervention
October - November 2009	Responses to RFP and Pre-Qualification	<ul style="list-style-type: none"> ■ Two bidders responded to the RFP – Swiss Timing Omega and MSL, Spain. ■ The bids were to be evaluated in three stages – pre-qualification (PQ), technical and commercial. However, MSL, Spain was disqualified at the PQ stage itself. While two members of the Evaluation Committee – ADG (Technology) and ADG (Revenue) recommended that both bidders be qualified – they were overruled by the other two members (with the support of Shri VK Verma, DG-OC) on the grounds that MSL did not have experience as an end-to-end provider and had never provided the timing function in the specified events. ■ Incidentally, Swiss Timing Omega and MSL, Spain were jointly providing TSR systems for Melbourne CWG-2006, Doha Asian Games -2006, and Beijing Olympics 2008 – with the timing element being provided by Swiss Timing Omega (the main contractor), the results software and the Games Information System by MSL, Spain, and the scoring element being provided jointly by both parties. Further, OC was aware that MSL had already been appointed for providing TSR for the 2010 Asian Games, Guangzhou. Hence, the rejection of MSL, Spain was questionable. ■ We conclude that if MSL was not experienced in providing end to end solution, neither was Swiss Timing. However the evaluation was just steering towards selection of Swiss Timing Omega .

OC was left with a single financial bidder (by irregularly disqualifying the only other serious competitor - MSL, Spain), effectively eliminating any opportunity for competitive pricing of TSR, which facilitated acceptance of the exorbitant rates quoted by Swiss Timing Omega.

OC took another 4 months to complete a (now meaningless) technical and commercial evaluation and award the contract to Swiss Timing Omega only in March 2010; this further delay is inexplicable.

Interestingly, OC also took advice on MSL, Spain's eligibility from TCIL and Shri Mike Hooper. TCIL advised disqualification of MSL, Spain, though it had no association or technical knowledge on the specific aspects of the TSR tender. Shri Mike Hooper relied largely on TCIL's opinion.

Swiss Timing Omega offered VIK (value in kind) of 3 legacy scoreboards and Games Information System (GIS)⁵ besides a cash

⁵ OC had also floated a separate tender for GIS in October 2009 to which MSL, Spain had responded; this tender was terminated on acceptance of Swiss Timing Omega's offer of GIS as VIK for the TSR contract. Incidentally, MSL, Spain was providing the GIS in previous Games as a partner of Swiss Timing Omega

sponsorship of Rs. 4.50 crore and a cash discount of Rs. 1.18 crore. This was accepted by the OC. OC extended several undue favours to Swiss Timing Omega:

- **Liability for Tax:** OC took an additional liability of Rs.22.82 crore on account of taxes on behalf of Swiss Timing Omega, contrary to the RFP provisions. This variation was neither discussed by the commercial evaluation committee nor brought to the notice of the OCFC.
- **Cost of TSR systems for test events:** The RFP was modified by keeping costs relating to test events out of the commercial bids, though this formed a part of the original scope of work. Accordingly, Swiss Timing Omega in its commercial bid asked for an additional 33 per cent for providing TSR for test events, which was not considered by the OC.
- **No clause for Liquidated Damages:** The contract had no clause for levying liquidation damages on Swiss Timing Omega for non-achievement of milestones or non-performance.
- **Terms of payment:** The contract provided for payment of 95 percent amount even before completion of the game, thus leaving no foothold for the OC in case of poor performance.

12.3.5 Performance of TSR

We found several deficiencies in the performance of TSR:

- TSR was not tested during the test events (due to reduction in scope of work) and was not tested at all in a real-time games situation.

- The final user acceptance of TV graphics (to be superimposed on live video feed) was to be completed by July 2010, but the graphics were not approved till 24 September 2010.
- Commentary Information System (CIS), a module of TSR, provides real time information to commentators and sports presenters of Prasar Bharati and other international broadcasters. For most part of the Games period, the CIS and remote CIS⁶ did not function properly. The dissatisfaction with the service was such that some broadcasters sought refunds from OC for non delivery of CIS services and the Australian RHB even wanted removal of the logo of TSR provider from the telecast as a penalty.
- Games Information System (GIS) (provided by Swiss Timing Omega as VIK) was the link between results generated by TSR and its distribution to broadcasters, media persons and other users. This did not function properly during CWG-2010 and the broadcasters lodged complaints in this regard.
- Despite CIS and GIS not functioning, OC did not revoke the performance guarantee of Rs 5.63 crore provided by Swiss Timing Omega, which was valid till 31 October 2010.

⁶ This was meant to provide CIS information at other than venue locations

12.4 Scoreboard Structures

Besides the TSR equipment, Swiss Timing Omega also provided 39 scoreboards 36 of which were rental and 3 were legacy items. OC had to erect structures for mounting these scoreboards. The contract for execution of these structures was awarded to Advance Tech Engineering at a cost of Rs. 3.40 crore. We found the following deficiencies in the approval process:

- The RFP was issued in May 2010 without global tendering; and
- Various corrigenda effecting changes in scope of work, eligibility criteria of turnover, consortium related conditions and documentation to be submitted by bidders were purportedly issued. We do

not find evidence that these changes were duly approved and advertised.

The execution of the contract and its monitoring was also deficient as:

- Scoreboards could be installed at only 10 out of 33 venues by the deadline of 1 September 2010;
- There was no provision for levy of liquidated damages;
- Proper testing for certifying the safety of the structure was not carried out; and
- In case of a Rugby 7s venue, the location and site was changed at the last moment by Swiss Timing Omega. During testing, the scoreboard structure came crashing down and was re-installed subsequently.



12.5 Games Management Systems

The Games Management Systems (GMS) is the primary application that deals with the

administration of the Games. OC procured this system from Gold Medal Systems for Rs 21.02 crore with an additional liability of Rs 4.27 crore towards taxes.

Figure 12.3 – Overview of GMS

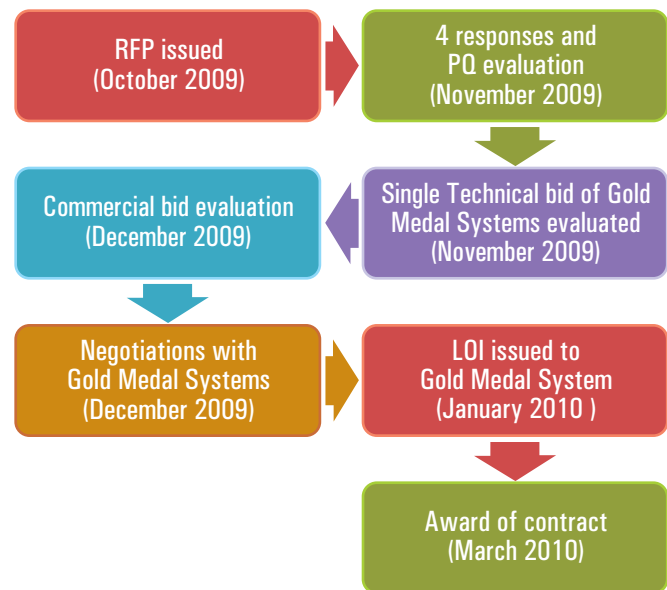


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12.5.1 Delays in Planning

For CWG 2010, the process for procuring GMS was initiated only in October 2009 and the contract could be signed just six months before the Games (March 2010). In contrast, CWG-Melbourne 2006 had awarded the GMS contract 18 months prior to the start of the Games. This created a squeeze on the delivery schedule and, combined with lack of competition, led to a 500 per cent increase in costs, with the supplier virtually dictating all the terms.

Figure 12.4 – Undue delays in award of GMS Contract



12.5.2 Elimination of competition

We observed that the bidding process was tailored to eliminate competition and facilitate Gold Medal System's emergence as a single financial bidder:

- Global tendering was not resorted to and sufficient time was not given for responses. The RFP could not generate adequate competitive tension, as two major players in the field, Atos Origin⁷ and Sangyong⁸, did not even respond to the EOI.
- The RFP was restrictive in ensuring competition as it asked for experience of providing GMS in Olympics, Commonwealth or Asian Games in the last 5 years and could effectively have had a maximum of just 3 qualified bidders.
- Out of the four bidders, three bidders were disqualified on grounds of inadequate experience, processing fee and supporting documentation. MSL Spain, which was disqualified for the TSR contract was once again disqualified in the PQ evaluation for GMS, although it had better credentials than Gold Medal Systems. It had provided all the five modules of GMS directly in the past, whereas Gold Medal Systems could provide only two out of five modules on its own and was dependent on multiple partners for delivering the other modules. Incidentally, Gold Medal Systems also did not furnish any document evidencing its tie up with its local partner, Tristar Enterprises.

⁷ supplier of GMS for Beijing Olympics 2008

⁸ supplier of GMS for Doha Asian games 2006

- Although MSL Spain had not provided GMS in Olympics, Commonwealth or Asian Games in the last five years, it had provided GMS for Asian Games 1998. This was not considered, due to the restrictive RFP clause.
- The PQ evaluation is even more questionable as Gold Medal Systems did not submit the required documentation in support of its purported financial strength; whereas MSL Spain had done so and had strong financials in comparison to Gold Medal Systems.

Evidently, the restrictive clauses in RFP and biased evaluation of bids resulted in elimination of competition, and ensured that the financial bid of Gold Medal Systems was the only bid to be opened. With no financial competition, and on the plea of shortage of time, OC accepted the highly priced bid of Gold Medal Systems. This bid was five times the amount (Rs. 4.15 crore) charged for Melbourne CWG-2006 by the same vendor.

As in the case of the TSR contract, OC also unduly favoured the vendor for GMS in several ways:

- **Liability for Tax:** OC took an additional liability of Rs.4.27 crore on account of taxes on behalf of Gold Medal Systems, contrary to the RFP provisions. This variation was neither discussed by the commercial evaluation committee nor brought to the notice of the OCFC.
- **No clause for Liquidated Damages:** The contract had no clause for levying liquidation damages on Gold Medal Systems for non-achievement of milestones or non-performance.

- **Performance Guarantee** - There was no provision for performance security in the contract, despite OCFC's instructions in view of the unascertainable financial condition of Gold Medal Systems.
- **Increased Rates** - A clause for payment at increased rates for additional work was added after EB's approval.

12.6 Official Games Time Website

12.6.1 Planning

The Games Time website was effectively the main internet platform for CWG2010 to disseminate real time information on sporting events during the Games. Although the Games Time Website is a standard and predictable feature of all multi sport international events, this was not planned or considered till June 2010, when, after CGF criticism, the proposal for creating a Games Time Website was initiated. OC also failed to exploit the opportunity for revenue generation from the Official Games Time website through advertisement revenue due to deficient and delayed planning.

12.6.2 Irregular Award of Contract to HT-Hungama

The bidding process was squeezed and completed within two months, leading to several irregularities in the award of the contract to HT-Hungama at Rs. 2.95 crore in August 2010:

- Global tendering was not followed and only 10 days time was given for responses;
- The RFP stipulated past experience in international multisport events as a pre-

qualification. A day before the final bid submission date, this criterion was relaxed on the grounds that no bidder might qualify on these criteria. We have no evidence of this corrigendum being published on the website/newspapers. Three bids from HT-Hungama, HCL Info systems- NDTV Convergence and TCS-Sports interactive were received; interestingly, all three did not have such experience but were termed as technically qualified under the relaxed criteria;

- The documentation from Hungama regarding its consortium with Hindustan Times was deficient, but was ignored by the technical evaluation committee;
- Despite complaints that bids were received in loose sheets, unbound and unsealed, Hungama's bid was accepted;
- Although Hungama's commercial bid was L-3 at Rs. 7.94 crore, it was declared L-1 by taking into account a cash discount of Rs. 4.65 crore offered by them. We cannot confirm whether the offer of cash discount was actually received along with the bid. This L-1 bid was reduced further to Rs.2.95 crore after negotiations.

The bids were not received in a sealed cover as is the stipulation. This evidently led to complaints. Further, audit has seen no proof of the cash discount reportedly offered by Hungama actually accompany the bid to convert it into L-1. There was relaxation in the RFP criteria also. Such infirmities in the award to Hungama lack transparency and lead to the conclusion that the process was tweaked in their favour.

12.6.3 Performance of the Website

While there were adverse media reports on the performance of the website, quoting problems of speed and non availability of real time information, the documentation at the OC's end was sparse and unreliable. Even the CGF head, Shri Mike Fennel stated that *"there is certainly a big problem with the Official Games Time Website"*.

OC's vetting of the content hosted on the website was also deficient, as the list of participating nations incorrectly included Korea, Japan, Philippines and even the US. Even the archival CD/DVD of the fully functional website, which was to be provided by November 2010, had not been given by the vendor till March 2011.

Despite these facts, OC failed to encash the performance guarantee of Rs. 0.29 crore; there were no other contractual provisions for penalties in case of non performance.

12.7 Telecom, IT and networking projects

12.7.1 Appointment of TCIL on nomination basis

Telecommunications Consultants India Limited (TCIL), a Public Sector Undertaking, was appointed without any recorded justification as the turnkey implementation agency for telecom, IT and networking projects on nomination basis in October 2009. This was approved ex-facto by the EB in January 2010.

OC had a 139 strong technology team (excluding 4 consultants/advisors) since October 2009. Out of the 42 technology related contracts worth Rs 247 crores, only 12 contracts of Rs 92.17 crore were

awarded through TCIL on behalf of the OC; for which OC paid Rs. 18.66 crore to TCIL as commission and tax. Considering that the Technology functional area could handle technical contracts like TSR and GMS on its own, engaging the services of TCIL for 12 routine contracts is grossly unjustified. Further, many other contracts e.g. of Wi-Fi services, data cards, official website and IPTV were awarded by OC directly. Interestingly, TCIL was never consulted in contracts related to telecom or IT services.

Further, the contract with TCIL was not implemented in practice in turnkey mode. At different stages of the contract from negotiations to bid evaluation, contracts were sent to OC for approval.

Also, it was noticed that TCIL's 'selective' advice was taken on other technical issues e.g. in the TSR contract at the pre bidding stage for declaring MSL, Spain ineligible.

12.7.2 Supply of Audio Video Equipment for Venues

OC had to provide audio video equipment⁹ at all competition and non competition venues for media and international broadcasters. The estimation of requirements was faulty, went through revisions, and resulted in over provisioning; the equipment was finally procured from Samsung India for Rs 3.79 crore.

The first round of tendering commenced with the issue of the RFP in March 2010 (without budgetary approval) and resulted in the issue of a purchase order for Rs. 5.20 crore to MIRC Electronics (ONIDA) in June 2010. This was cancelled as there were

⁹ TV, TV mounts, DVD/CD, Data Projector (desktop), Digital Video Camera, Tripod for Digital Video Camera (Still), PA system etc.

substantial reductions in quantities and duration of renting (on the instructions of the Fast Track Committee) and the vendor revised the terms and conditions, which TCIL refused to accept. This proposal was neither seen by the Chairman, nor ratified by the EB at any stage.

After MIRC's refusal, on 7 September 2010, the Fast Track Committee recommended approaching Samsung India and LG India for outright purchase or rental of the equipment. However, OC chose to approach only Samsung India (and not LG India) on nomination basis on 8 September 2010 and issued the LOI on 13 September 2010 of Rs 3.78 crore for outright purchase of the equipment excluding PA Systems, DVD recorder and Portable CD players. There were no recorded reasons for initial inclusion and subsequent exclusion of these items.

12.7.3 Procurement of Computer Hardware

OC purchased/leased 3302 laptops and desktops for Rs 9.80 crore in several batches during April to September 2010 to meet IT requirements at competition and non-competition venues. Strangely, the quantities required were not assessed at one go and nearly 50 percent (1638) of these computers were leased. We could find no documented criterion for deciding whether to procure or lease. Further, the option of getting suitable sponsorship from IT companies for such a large requirement was never explored by the OC at any stage.

Interestingly, leased computers were always taken through TCIL, while purchases were done directly by OC. The lease rent charged was 76 percent of the cost, and with an

additional 9 per cent as commission and 10.33 per cent as leasing charges for TCIL, OC ended up paying 95 percent of the purchase cost of equipment. In addition, OC spent Rs. 2.92 crores for purchasing software licenses for these leased computers.

12.7.4 Maintenance of inventory, decommissioning and legacy planning

OC procured IT equipment worth Rs. 6.46 crore and rented Rs. 58 crore worth of IT equipment for the games. The documentation on inventory, distribution and decommissioning was incomplete and there were substantial delays in ascertaining the location of all equipment. The leased equipments were to be decommissioned and returned to the respective vendors; we found that Rs. 21.04 crore of leased equipments was yet to be returned. OC has not planned for disposal of the owned assets. There was no policy for warehousing and legacy use of the equipment after the games. After MYAS turned down OC's initial proposal for offering this equipment to its employees at discounted rates, no action has been taken and the equipment is lying in MDC stadium and OC headquarters (March 2011).

12.8 Provision of IT services – Other contracts

12.8.1 Wi Fi services in Games Village

Without involving TCIL, OC decided in March 2010 to provide free wi-fi internet service at the Games Village. While the initial proposal was for services in only selected parts of the Games Village, the

scope of work was extended significantly, raising the estimated cost from just Rs.15 lakhs to Rs. 3.50 Crore. Based on a single response received, the contract was awarded to Radius Infratel at a cost of Rs.2.75 crore. Incidentally, several complaints were received from international broadcasters about the non-functioning of Wi-Fi services and OC was compelled to provide for alternative services. OC stated that necessary deductions were being made for non performance.

12.8.2 Provision of data cards for media

OC provided 1400 data cards from Tata Teleservices and Reliance and took another 1264 data cards on lease from MTNL at a total cost of Rs.0.8 crore, after wireless internet access was barred for security reasons. Records of usage, distribution and return of these datacards are very scanty. Also, when some data cards did not function, OC had to make alternative arrangements.

12.8.3 Fixed line broadband connection for media persons

The work of providing high speed Internet bandwidth for media press Operations was awarded to Tata Communications Ltd. on nomination basis in September 2010 at a cost of Rs. 11.28 crore. OC stated that this was resorted to when CERT guidelines disallowed Wi Fi services in media tribunes, and the option of datacards could not fulfil this requirement. According to the OC, prior approval from financial authorities was not sought due to paucity of time.

12.8.4 IPTV for Games village

OC awarded a contract for Rs. 0.60 crore on 21 September 2010 to Bharati Airtel on nomination basis for provision of IPTV, without recorded reasons for the change from Cable TV. Records on actual delivery of services were not available.

