TECHNICAL & COMMERCIAL CLARIFICATION

1. Price Break-Up & Commercial Structure

Objective

Decompose the total project cost of **₹2,00,000** into clear, measurable deliverables and define commercial terms.

1.1 Line-Item Cost Breakup

Component	Description	Cost (₹)
Android Application Development	React Native Android app including customer flows, creator access, payments, and downloads	90,000
Backend APIs & Database	Node.js APIs, business logic, MongoDB schema & integration	40,000
Admin / Creator Dashboard	Upload designs, manage content, view sales & downloads	25,000
Payment Integration	Razorpay integration, payment verification, basic webhooks	10,000
Website (Free)	Web frontend using same backend APIs (effort absorbed internally)	Included
QA, UAT & Deployment	Testing, bug fixing, production deployment support	20,000
Total		₹2,00,000

1.2 Pricing Model

- **Fixed-bid pricing**
- Scope is defined and frozen based on agreed features
- No time-and-material billing for in-scope work

1.3 Payment Milestones

Milestone	Deliverable	Payment
Milestone 1	**UI/UX flows, system architecture, database schema finalization**	**30%**
Milestone 2	**Backend APIs, admin dashboard, payment integration completed**	**40%**
Milestone 3	**Android app delivery, deployment, source-code handover**	**30%**

1.4 Acceptance Criteria

A milestone is considered accepted when:

- Application builds and runs successfully on Android devices
- User registration and login work correctly
- Admin can upload and manage designs
- Customers can browse, purchase, and download designs
- Payments are verified through Razorpay
- Downloads are unlocked only after successful payment
- Website mirrors core app functionality using same backend

1.5 Assumptions Included in the Quote

- Android platform only (no iOS)
- Single app owner / admin
- Digital product marketplace (embroidery designs)
- Normal usage volumes (hundreds to thousands of designs)
- Standard transaction volumes
- No subscription billing
- No multi-vendor revenue sharing

1.6 Out-of-Scope Items

The following are **not included** in the ₹2,00,000 scope:

- iOS application
- Subscription plans
- Multi-vendor payout systems
- Advanced analytics dashboards
- AI-based recommendations or search
- ERP / accounting integrations
- Enterprise-level compliance certifications

1.7 Cost Impact for Future Enhancements

- Any feature outside the defined scope will be estimated separately
- Pricing model for enhancements:
  - **₹600 per hour**, or
  - Fixed cost based on feature complexity

2. Software Licenses & Third-Party Tools

Objective

Avoid hidden recurring costs, license violations, and clarify ownership of all software components.

2.1 Third-Party Libraries, SDKs & Tools Used

Component	Technology	License Type	Cost
Android App Framework	React Native	MIT	Free
Web Framework	Next.js	MIT	Free
Backend Runtime	Node.js	MIT	Free
Backend Framework	Express.js	MIT	Free
Database	MongoDB (Community Edition)	SSPL	Free
Payment Gateway SDK	Razorpay	Commercial (SDK free)	Free
Hosting / Cloud	AWS	Commercial	Client-paid

2.2 License Confirmation

- All development frameworks and libraries are **open-source**
- Primary licenses used:
  - **MIT**
  - **Apache-style permissive licenses**
- No GPL-restricted libraries are used
- No commercial development licenses are bundled

2.3 Recurring License Fees (Post Go-Live)

- **No recurring license fees** from development tools or frameworks
- Only recurring costs are:
  - Hosting / cloud infrastructure
  - Database hosting
  - Storage and bandwidth
  - Razorpay transaction fees

These are paid **directly by the client** to respective service providers.

2.4 License Ownership & Payment Responsibility

- All open-source licenses remain compliant
- No license costs payable to the vendor
- Client pays directly for:
  - Hosting services
  - Payment gateway usage
  - Any optional third-party services added later

2.5 Usage Caps & Limitations

- No license-based caps on:
  - Number of users
  - Number of designs
  - Number of downloads
- Practical limits depend only on:
  - Server capacity
  - Storage allocation
  - Bandwidth usage

These can be scaled via infrastructure upgrades.

2.6 Source Code Ownership

- **100% of the source code is owned by the client** after final payment
- Includes:
  - Android application code
  - Backend APIs
  - Database schema
  - Web application code
- No vendor lock-in
- Client is free to modify, extend, or migrate the system

3. Payment Gateway – Razorpay

Objective

Clarify transaction costs, responsibilities, and operational handling.

3.1 Integration Cost & Support

- Razorpay integration is a **one-time activity**, included in the project cost
- Includes:
  - Payment initiation
  - Payment verification
  - Order confirmation

    - Basic webhook handling

Ongoing payment gateway support is handled via Razorpay's platform.

3.2 Razorpay Transaction Fees

- Standard Razorpay charges apply:
    - Approximately **2% per transaction + GST**
- No additional fixed charges from development side

3.3 GST Responsibility

- GST on Razorpay transaction fees is **borne by the client**
- GST is charged directly by Razorpay

3.4 Refunds, Chargebacks & Failures

- Refunds processed through Razorpay standard workflow
- Failed or cancelled transactions handled by Razorpay
- No custom dispute management logic included

3.5 Webhooks, Reconciliation & Reports

- Basic webhook integration included for payment status updates
- Standard Razorpay dashboard reports used for reconciliation
- Advanced financial reporting or custom reconciliation logic is **out of scope**

4. Server Hosting & Infrastructure Costs

Objective

Forecast monthly and annual operating costs and clarify infrastructure responsibilities.

4.1 Recommended Hosting Architecture

- Cloud hosting using **AWS or equivalent provider**
- Centralized backend serving:
    - Android application
    - Web application
- Object storage for embroidery design files
- Environment separation:
    - Production (mandatory)
    - Development / QA (optional, based on client preference)

4.2 Estimated Monthly Infrastructure Cost (Typical Usage)

Component	Estimated Monthly Cost (₹)
Compute (EC2 or equivalent)	1,000 – 2,000
Database (MongoDB hosting)	1,000 – 2,500
Storage (Design files & downloads)	Usage-based
Bandwidth / CDN	Usage-based
Backup & Monitoring	Included / minimal
Total Estimated Cost	**3,000 – 5,000 / month**

4.3 Expected Cost at Different Usage Levels

- **~1,000 users:**
  Costs remain within ₹3,000–5,000 per month
- **~10,000 users:**
  Increased compute, storage, and bandwidth; costs scale linearly
- **High-download scenario:**
  Storage and bandwidth become dominant cost factors

Final cost depends on actual usage patterns.

4.4 Environment Management

- Production environment configured by default
- Separate Dev / QA environments can be set up if required
- Environment costs paid directly by client

4.5 Scaling, Uptime & Patching

- Application architecture supports horizontal scaling
- Infrastructure scaling handled by client or under separate agreement
- No 24×7 DevOps or uptime SLA included in base scope

5. Ongoing Support, Maintenance & SLAs

Objective

Clarify post-delivery responsibilities and support boundaries.

5.1 Post-Go-Live Support

- **15–30 days** bug-fix support included after go-live
- Covers:
  - Functional bugs
  - Stability issues related to delivered features

5.2 AMC / Long-Term Support

- Annual Maintenance Contract (AMC) **not included**
- Can be proposed separately based on:
  - Support duration
  - Response time expectations
  - Scope of maintenance

5.3 Service Level Commitments

- Bug fixes: Best-effort during support period
- Production issues: Addressed during standard working hours
- Security patches: Limited to delivered codebase
- App store updates & OS upgrades: Not included

5.4 Support Coverage

- Support during standard business hours
- No 24×7 on-call or escalation matrix included

6. Security, Compliance & Risk

Objective

Protect intellectual property, user data, and business continuity.

6.1 Data Security Measures

- HTTPS for all network communication
- Token-based authentication
- Role-based access control
- Secure storage of credentials

6.2 Paid Digital Download Protection

- Downloads enabled only after successful payment
- Authorized access through backend validation
- No public access to paid files

6.3 Backup & Disaster Recovery

- Backup frequency depends on hosting configuration

- Standard cloud backup mechanisms recommended
- Disaster recovery handled at infrastructure level

6.4 Regulatory Compliance

- Designed to comply with standard Indian data protection practices
- No storage of sensitive financial data (handled by Razorpay)
- No explicit enterprise compliance certifications included

6.5 Access Control

- Restricted admin access
- Controlled production system access
- Credentials managed securely

7. Delivery & Ownership Assurance

Objective

Ensure full control, ownership, and exit safety for the client.

7.1 Intellectual Property Ownership

- Full ownership of:
  - Android application source code
  - Backend source code
  - Web application code
  - Database schema
- Ownership transferred after final payment

7.2 Documentation Deliverables

- API documentation
- Database schema documentation
- Deployment and environment setup guide

7.3 Vendor Dependency

- No dependency on vendor after handover
- Client can manage or transfer the project to another team

7.4 Exit & Transition Support

- Reasonable handover support provided
- Knowledge transfer during final delivery
- No contractual lock-in

Strategic Reference

This document provides:

- Written cost breakup
- Infrastructure operating cost estimates
- License declarations
- Post-go-live support clarity

It enables informed decision-making and governance at approval stage.