



**Bharat Sanchar Nigam Limited**  
**(A Govt. of India Enterprise)**

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**No. BSNL/EB-II/CPNE Guidelines/2017/**

**17.07.2017**

**Sub: Guidelines on Establishment of Customer's Private network on Turnkey basis through System / Network Integrator (SIs).**

A number of important customers viz. Corporate Houses, Nationalized/Private Banks, Financial Institutions, State Governments, Educational Institutions and various Micro Small and Medium Enterprises need dedicated connectivity for its business needs. Also at most of the occasions they look toward connectivity provider for establishment of Private Wide Area Network and complete networking solution for them on turnkey basis including supply, installation, integration and maintenance of networking equipment. Some of the organizations are also inviting bids through open tender for providing leased connectivity and for setting up of WAN for them. In order to acquire and maintain the business, Telecom Circles have to participate and compete in the tenders alone and with other service providers.

1. One of the major activities for providing total Network Solutions is procurement of networking equipment & its integration in the network. Since such projects are time bound, it may not be possible to follow normal procurement procedure for procurement of equipment and service required to establish the networks on account of the various reasons such as:
  - a) Projects being time bound and are to be completed within the timeframe specified by the customer.
  - b) Enormous delay will be encountered for finalization of the tender and we may end up selecting the lowest bidder who may not be a reputed vendor or the equipment he offers may not be meeting the requirement of the customers.
  - c) The procurement process for such equipment needs to be looked into on a different perspective. Here the customer is going to pay the cost of the equipment. BSNL is adding margin over it.
  - d) The components involved in the network design are decided according to the requirement of the customer and the equipment are available with limited vendors.

Taking the above aspects into account, procedure for meeting such requirements has been approved by BSNL management which are indicated below:

**2. Standing Committee/Empanelment of Vendors**

- a) Each circle may constitute a Standing Committee for procurement of equipment/empanelment of equipment suppliers /Network Integrators required for execution of turnkey projects. The committee will be consisting of SAG officers from CM/CFA/CN-Ent Verticals and SSA Heads (wherever required). The broad constitution of the committee may be:

- (i) GM/Sr.GM/PGM (NW-CFA/CM/CN)
  - (ii) Business Area Head (Optional, case to case basis)
  - (iii) GM/Sr.GM/PGM (EB)
  - (iv) GM/Sr.GM/PGM from Finance, available at HQ (other than IFA) (In cases where GM level officers of finance are not available, DGM/Jt.GM/Adl.GM can be taken)
- b) The Standing Committee constituted will finalise the list of equipment normally required for such projects along with details of reputed OEM/Vendors. The committee may invite offers from OEM/Vendors/Network Integrators from open market for major equipment taking into account pre-qualifying factors such as Vendors' Annual Turnover, supply performance during last three years, Ability to supply equipment within short period, Commitment to maintain the equipment etc.
- c) Based on the pre-qualification parameters, the Standing Committee shall empanel vendors/OEMs/Authorized Channel Partners of OEMs for each make & model for various networking products like Computers, Computer related software & peripherals, servers, Modems, Routers, Remote Access Servers, LAN Switches, ISDN backup devices, EPABX, MUX etc.
- d) The panel of vendors and System Integrators finalized by the committee shall be approved by CGM of the Circle.

### 3. Finalisation of Rates/Prices

- a) For participation in any bid for execution of the project, the standing committee shall invite sealed quotations from these empanelled vendors/Integrators for various types of equipment for finalisation of the rates. The quotation shall specify validity of the prices, delivery period, penalty, AMC etc. The rates for such equipment shall be finalized after observing all the formalities. Depending upon the requirements, order could be placed on the empanelled vendors at the finalized rates. However, before placement of Purchase Order, the reasonableness with reference to prevailing market price must be ensured.
- b) For participation in Projects through open tender, in order to be competitive, standing committee to explore the best rates with the empaneled vendors.
- c) It may not be possible to fix the prices of all the items as depending upon the requirement of the customers, there may be slight variations in the specifications. This standing committee could invent the best prices of such items with these selected vendors and place orders on any of the empaneled vendor at such price.
- d) In a situation when the customer desires to expand the existing network, the procurement of add on equipment becomes proprietary in nature. Keeping in view the requirement of the customer and the fact that ultimately the customer will be paying for the cost of equipment, this Standing Committee may finalise the prices of proprietary equipment as above.



#### **4. Tie-up with Network Integrators/System Integrators**

A number of network/system integrators (SIs) may be keen to join hands with BSNL for participating against a specific tender or for networking requirements of the enterprise customers and for the projects BSNL needs to execute for various customers. Such Network Integrators/solution providers (SIs) can be empanelled by the Standing committee based on various factors such as Past experience in Networking, Financial strength, their level of presence in the country, their tie-up with various Networking equipment suppliers etc. When any turnkey project is to be executed, bids can be obtained from these pre-qualified bidders and work awarded to any of them after following normal selection procedure. The AMC can also be awarded to them for maintenance of end equipment at customer premises. The agreement/MOU with Network Integrators can be made with/without supply of equipment.

#### **5. Allocation of work of Network Integration and supply:**

It is appreciated that, on-Boarding of customer, on nomination basis is most difficult and an important step in Enterprise Business Chain. Though BSNL is having its own Sales Teams and mechanism but the help of SIs is very crucial as they are domain knowledge experts. BSNL should encourage SIs to bring on board more and more customers on behalf of BSNL. SI who makes all efforts in On-boarding the customer should be extended all out support and shouldn't be subjected to undue competition.

But it is also a fact that most of the business on nomination comes out of customer's faith in the fair and transparent policies of BSNL at large. It becomes more important when the end customer is Government or its subsidiary and awards work to BSNL on nomination basis, BSNL itself being a Govt. Company. So, with a larger business interest in view, the policy of "Bring It Get It" on back to back basis can only be adopted in rare cases where the client gives clear choice for a particular SI, with its rates and the solution. Otherwise, the prevalent practice of exploring best rates from empanelled vendors/SIs by the Circle Standing Committee should continue.

However, the efforts of SI can't be undermined in bringing the customer on board may it be a Government or Private and involves continuous visits presentations and perusals at different levels and to appreciate the same and in order to give an edge to such SIs (Incumbent SI), who nurtured the business, must be given a choice if he is eligible and can meet the competition by way of providing "First Right of Refusal" at the L1 rates, determined by existing sealed bid method from the eligible sources.

- (i) In case the incumbent SI is non L1 and chooses not to accept L1 rates, the L1 SI/Vendor has to work on his quoted rates. In case L1 SI/Vendor refuses to work, then he shall be debarred for one year to participate in tender from date of refusal, along with other penal actions under empanelment.
- (ii) The genuineness of rates however would continue to be vouched by the Circle Standing Committee.

A model eligibility criteria for selection of network integrator is enclosed for reference.



**6. Single Window Approach**

For execution of such projects, the circle should nominate one SSA/Officer who shall be the interface with the customer for all activities such as issue of demand note, collection of payments, customer support, coordination with customers etc.

7. Option may be given by the Telecom Circles to prospective/existing customers that they can source their equipment from market or through approved vendors of BSNL. In case they opt for BSNL option, the cost of equipment (CAPEX/OPEX /Mix thereof) will be paid by them to BSNL and in turn, BSNL shall make similar terms of payment with SI.
8. In turnkey projects, BSNL will undertake entire execution responsibility of the project. The project cost indicated to the customer shall be inclusive of equipment cost, project management cost, investment cost overheads and profit margin. Typical profit margin of 15% may be included over and above all the costs but it may vary from project to project depending upon the nature of the project, competition, timeframe for realization of investments made in the project.

**9. Financial Powers for execution of turnkey projects**

The Heads of Telecom Circles may execute such projects for which procurement is up to ₹10 crore. For projects beyond ₹10 Crore, the proposal may be referred to BSNL HQ for approval.

- ❖ The above financial powers delegated to Heads of Telecom Circles should be exercised in consultation with IFA.

(N.K. Agrawal)  
DGM (EB-II)

To

All Chief General Managers

Copy to:

- (a) PS to CMD, BSNL for kind information  
 (b) All Directors of BSNL Board for kind reference  
 (c) All PGMs/Sr.GMs/GMs, BSNL Corporate Office  
 (d) CS & CGM (Legal), BSNL CO., New Delhi in compliance of Extract of MC Memo No.: BSNL/Sectt./Extract/326/MCB/11 dated 12.06.2017.

**Annexure****Model Eligibility Criterion for Network Integrators**

BSNL requires services of System/Network Integrators, who will be responsible to supply network equipment, configuration and integration with existing network, operation, maintenance and support related to customers.

The Network Integrators shall be categorized as National System Integrator/Circle System Integrator/Circle-Silver System Integrators and basic structure and scope would be as below:

## 1. System Integrator (SI) Structure:

Category of SI	Basic Criteria		Scope of Service
National	Average Turnover (for IT/Networking business) for last two years	₹ 20 Cr.	All the business of the Circle.
	Bank Guarantee (BG)	₹ 15 Lakh	
	Minimum Experience of WAN implementation on turnkey basis.	20 PoPs	
	Minimum Support Centre	20	
Circle	Average Turnover (for IT/Networking business) for last two years	₹ 3 Cr.	All business, of the Circle provided, execution limited to three Circles#.
	Bank Guarantee (BG)	₹ 3 Lakh	
	Minimum Experience of WAN implementation on turnkey basis.	5 PoPs	
	Minimum Support Centre	5	
Circle-Silver*	Average Annual Income as per ITR or Turnover as per balance sheet as applicable, for last two years	₹ 20 Lakh	All business, of the Circle provided, execution limited to home Circle or part of Circle
	Bank Guarantee (BG)	₹ 50,000	
	Minimum Experience of WAN implementation on turnkey basis.	2 PoPs	
	Minimum Support Centre	One	

# In case the particular business needs the delivery in more than three Circles and the Circle, despite of all efforts could not empanel any National SI; the condition can be waived on satisfaction of CGM on case to case basis.

\* The eligibility criterion for Circle-Silver category can be relaxed by CGMs in consultation with the standing committee for the applicants such as qualified Engineers, experienced telecom/IT professionals etc. The monetary limit for any project would be ₹ 30 Lakh in this category.

- a) Once a SI is empanelled in National Category in any of the Circle, it can get empanelled in any other Circle with a consent letter (**Appendix-A**). Consent would authorize its home Circle to revoke its BG on the advice of the additional consented Circle. Also, a Circle SI can become SI of any other Circle(s) of its choice on submitting a consent letter as above with an additional **BG of ₹1 Lakh** per Circle.



- b) NTR Circle would be treated as a Circle with its geographical territory as NCT, Delhi for the purpose of SI empanelment and delivery of service.

### 1. Detailed Eligibility and Operational Criteria of SI:

S N	National & Circle SIs	Circle-Silver SIs
a	SI shall be an IT/Networking sector company.	SI may be an Individual or Proprietorship/partnership Concern.
b	SI or its parent company should be a public limited or private limited company registered in India.	SI may be an Individual/Proprietor/partnership Concern/LLP/Company and registered as per commercial laws to undertake the activities mentioned in scope of empanelment.
	The SI should have a valid CST/State VAT/TIN/GST registration certificate as applicable. (Copies of relevant tax/registration certificates to be submitted before any work order to SI).	
c	Each applicant for its empanelment as SI will need to submit refundable Security Deposit (SD) of ₹1 Lakh and ₹50,000 for National and Circle Level empanelment respectively, in the form of a Bank Guarantee from any scheduled bank valid for One year	Each applicant for its empanelment as SI in Circle-Silver category will submit refundable Security Deposit (SD) of ₹ 10,000 in the form of Bank Guarantee from any scheduled bank valid for One year or a cash receipt of BSNL for this purpose.
d	A Bank Guarantee (BG) valid for five and half years shall be submitted by applicants once selected for the empanelment of ₹ 15 Lakhs and 3 Lakhs for National and Circle level SIs respectively for abiding by the general rules of empanelment agreement. The refundable SD of ₹1.0 Lakh and ₹ 50,000 respectively submitted at the time of application for empanelment would stand released thereafter.	A Bank Guarantee (BG), valid for five and half years shall be submitted by applicants once selected for the empanelment of ₹ 50,000 for abiding by the general rules of empanelment agreement. The refundable SD of ₹ 10,000 submitted at the time of application for empanelment would stand released thereafter.
e	SI shall also submit additional PBG of at least 5% of the P.O. value, whenever a work is awarded to Network/ SI valid for the duration of the project. However, in tender cases SI shall submit EMD/PBG as per customer requirement on back to back basis.	SI shall also submit additional PBG of at least 5% of the P.O. value, whenever a work is awarded to SI valid for the duration of the project. However, in tender cases SI shall submit EMD/PBG as per customer requirement on back to back basis.
f	SI shall be a direct owner of technology or have a direct teaming agreement with each of technology companies directly or with their authorized channels that form the core building block for WAN or related project implementation. The core building blocks may be classified as servers, computers, computer peripherals, routers, LAN Switches/hubs, firewall, leased line modems, ISDN backup devices, connectors and basic computer related software etc.	SI shall have tie up and technical arrangement directly with the technology company or through its authorized dealer whose equipment has been used in delivery of the WAN/LAN so as to ensure long term support to the core building block for WAN/LAN or related project implementation. The core building blocks may be classified as servers, computers, computer peripherals, routers, LAN Switches/hubs, firewall, leased line modems, ISDN backup devices, connectors and basic computer related software etc.
g	The SI should provide letters of support from OEM or its authorized channels of OEM stating that their solution will be supported on the platform proposed by SI for minimum two years and as per customer requirement.	The SI should provide letters of support from OEM or through its dealer/associate stating that the solution/equipment will be supported at all standard platforms for minimum two years and as per customer requirement.
h	SI shall provide 24X7 help center either web-based or IVR based. SI shall ensure consultation, assistance and advice within four hours or as defined in SLA entered with customer. In other	SI shall maintain 24X7 help number. SI shall ensure consultation, assistance and advice within four hours or as defined in SLA entered with customer. In other cases, complaint may



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	cases, complaint may be attended within eight hours.	be attended within eight hours.
i	The technical team of SIs will assist BSNL in coming out with the cost effective solution for the customers and will be required to give joint presentation with BSNL to customers.	
	The software up gradation for the first year shall be provided by the SI free of cost. However, SI will continue to provide up gradation on chargeable basis for subsequent years.	
j	SI shall support SLA requirements of BSNL customers and ensure its compliance. In case SLA commitments are not met, SI shall be responsible for payment of penalties, if any, imposed by the customer.	
k	Validity of the empanelment agreement shall be Five years.	

2. The SI Policy would be non-exclusive, walk-in & Open for all eligible categories and would remain hosted on Circles websites under "Business Opportunity Section".
3. The policy would be operated in sync with the EoIs of Circles, having attendant conditions mentioned therein above.



## Appendix-A

**Self Declaration / Letter of Intent and Consent**  
**For the Empanelment of existing System Integrators in other Circle/Units**

TO

CGMT,

-----Circle,

**SUBJECT: Request for Empanelment as Circle/National SI**

As per the "Guidelines on Establishment of Customer's Private network on Turnkey basis through System / Network Integrator (SIs)" of BSNL for providing turnkey solutions to its enterprise customers the existing System Integrators (SI) may request for the empanelment in other Circles. In this regard, it is submitted,

- (i) That, my firm/organisation/company, ----- (herein after called applicant), is already empanelled as a System Integrator in – (Name of Home Circle)-----Circle as National/Circle Level System Integrator.
- (ii) That, the applicant is interested to get empanelled as SI of your Circle also.
- (iii) That, the applicant is eligible under this policy to be empanelled as National/Circle SI.
- (iv) That, the applicant on appointment as SI, would abide by the procedure as decided from time to time by BSNL and its officers in executing the network assignments as approved for the purpose.
- (v) It is declared that the intended additional empanelment in your Circle would not affect the quality and speed of the works in my existing empanelled Circle.
- (vi) It is well understood, that Enterprise Business leads are of utmost importance and has got commercial value for BSNL and would not be mis-utilised in any form which may be detrimental to the Business interests of BSNL.
- (vii) That the quotes given by me against the queries of BSNL would be firm and to be abided by me.
- (viii) That, the acceptance of my offer against any goods or services would be at the sole discretion of BSNL and my Company would have no claim or right on any business.
- (ix) That all the terms and conditions as applicable to me in my home Circle of empanelment would be enforceable in your Circle mutatis mutandis.
- (x) That, the policy is non exclusive in nature and the applicant can't claim any right to any business, customer, area or product etc.
- (xi) That, the applicant is aware of the empanelment is mutual and can be cancelled by either side on a due notice as per policy of BSNL.
- (xii) The applicant authorises existing Home Circle Head to have lien on the BG submitted by me for any non performance committed in your Circle. For this purpose CGM of home Circle would act as per the advice of your Circle.
- (xiii) The applicant is well aware that if at any stage/juncture it is established that the applicant as SI has misrepresented BSNL and acted in a manner detrimental to the business interests of BSNL, BSNL would be free to make good its losses from the applicant without prejudice to any other legal remedies it may have.

**Dated:****At:**

(-----)

**Copy: CGMT, ..... (Home Circle),.....**
