

## **DoT asks BSNL to re-tender mega GSM contract amidst lack of competition**

TT Correspondent | New Delhi | 05 Nov 2009

The DoT has asked BSNL to conduct a quick re-tendering of its mega GSM contract for 93 million lines including 3G lines, reports the Business Standard. The DoT move is in wake of lack of competition for the tender in each zone.

Under the present scenario, there is only vendor in each of the four zones i.e. East, West, South and North. Ericsson has been shortlisted for the North and East zones. Huawei has been awarded the contract for the Southern region. For West there is currently no vendor shortlisted. Huawei's selection was restricted only for the Southern region in wake of security concerns.

The DoT feels that BSNL can do a quick re-tender now to be completed in 2-3 months. The DoT says that the process can be completed quickly as tender documents and related processes are already in place with vendors also familiar with the terms and conditions.

DoT further reasons that equipment prices have come down and in case there is no competition, BSNL may end up paying higher price. Also DoT feels that with only a single vendor for negotiation, the decision-making process will lack transparency.

While in the past, DoT is seen to be hampering the day-to-day decision-making process of BSNL, in the present case, the DoT's concerns have some valid reasoning. Earlier in July this year, it was reported that Ericsson's price effectively was at the higher side as compared to last time. While in the earlier tender it had bid a price of Rs 4000 per GSM line for 2G and 3G which included complimenting aspects of network infrastructure such as towers and billing software, its bid price in the current tender was Rs 3000 excluding associated network components. For 3G its price was Rs 7000 per line.

BSNL's own vigilance cell had raised concerns over this issue.