

HCL may lose 'lowest bidder' status for BSNL's Rs 900-cr IT deal

ET Bureau

MUMBAI: In what could affect HCL Infosystems' 'lowest bidder' status for BSNL's Rs 900-crore IT outsourcing contract for the northern region, rival bidders and other officials familiar with the decision making are crying foul over the shortlisting process for awarding the contract.

BSNL, which is currently evaluating bids for outsourcing development and maintenance of IT technology and business systems across the four regions, had earlier identified HCL as the lowest, or the L1 bidder, ahead of rivals TCS, Mahindra Satyam and Spanco. Now, officials are scrutinising HCL's bids for some erroneous calculations in the proposal.

"The errors could be in the nature of an arithmetic error or a missing line item. If the prices of some line items are missing then the price submitted by the highest bidder is substituted in its place," said a person familiar with BSNL's outsourcing decisions. The financial evaluation takes place after the 'financial reading' in the bid process, he added.

If HCL loses its position, as the lowest bidder in the North zone, following errors detected in its bid during the financial evaluation, Spanco in the North zone and Tata Consultancy Services (TCS) and Mahindra Satyam in the other zones are bound to emerge favourites.

The contract for the North zone is over Rs 900 crore. Spanco, which is one of the companies bidding for BSNL's outsourcing contracts, said HCL may lose its 'lowest bidder' status. However, ET could not independently verify these claims.

"We have come to know there is some calculation mistake in the financial bid of HCL. They may lose the L1 status in the North. BSNL has a very transparent and fair system, and we are sure that very soon the true picture will emerge," said Kapil Puri, chairman and managing director, Spanco. When contacted HCL Infosystems chief executive Ajai Chowdhry said: "We're not making any claims that we have got any contract or not got any contract. The announcement should come from BSNL."

The contract, collectively valued at over \$1 billion for all four zones, was closely fought by all vendors with the bids ranging from Rs 850-1,040 crore. So far, HCL had emerged as the lowest bidder based on the financial reading, which is a preliminary reading. "It is now almost certain that HCL Infosystems will not be the lowest bidder in any of the four zones (north, south, east and west)," said a source privy to the information.

The declaration of the winning bid that was expected to be announced on Friday for some zones is likely to be delayed, following the error that was discovered. Apart from HCL, Spanco and TCS are the two other bidders for the North zone.

The two are also the shortlisted contenders for the West zone. In the South and East zones, HCL is competing against TCS and Mahindra Satyam.