

Bharat Sanchar Nigam Limited

(A Government Enterprises)

Opportunity to become BSNL partner for Seamless Connectivity Technology Provider (SCTP) on non-exclusive basis

VAS-8/SCS/2018

Dated 28th August, 2018

1. Introduction/Background:

Use of Mobile Applications for consuming various services has seen exponential growth in last few years due to proliferation of Smartphone in every nook and corner of the country. Government Entities, Utility Companies, Ecommerce Players etc., all are aggressively promoting Mobile Application for consumption of various services. The interactive User Interface of a Mobile Application enables even a not so educated subscriber to effortlessly use the different Mobile Applications. However, almost all the applications require data connectivity to function. This is a severe bottleneck in further adoption of Mobile Applications due to non-availability of ubiquitous data coverage everywhere especially in the indoor and rural areas.

On the other hand, SMS have long been used to provide low bandwidth service like P2P/A2P messaging. Also due to store and forward nature of SMS, it can work even with unreliable network coverage. However, the use of SMS is not user friendly in comparison to Mobile Applications.

In recent years technologies have been developed to use Mobile Applications with SMS as bearer. Though, this is feasible only for Applications which require low bandwidth. Most of the Mobile Banking Applications and Applications offering utilities services require very low bandwidth to function. Use of such technologies has made it possible for subscribers to use wide range of such Mobile Applications even in areas where data coverage is patchy and unreliable. Use of such technologies ensure Seam Connectivity for Mobile Applications by intelligently using Data and SMS as per availability as bearer.

BSNL invites proposal, on Revenue share basis for solution Providers having Technical Platform to enable seam less connectivity for various Mobile Applications through use of Data and SMS as bearer (Seamless Connectivity Technology Provider [SCTP] - herein after).

BSNL invites proposal, on Revenue share basis from SCTPs, from interested and eligible firms/ companies for association with BSNL to generate revenues from SCS (Seamless Connectivity Services) projects being undertaken by Government/ Autonomous bodies and Commercial entities across the country. Enabling customers to Access Applications through mobile devices in the absence of Data Connectivity

using compression and transparent encrypted SMSs is a key service that can accelerate the “Digital India”. SCTP or its principal may meet the relevant eligibility criteria in combined manner. The purpose of this policy document is to empanel SCTP for exploring and executing SCS business opportunities jointly. BSNL may enter into the agreement with Non-exclusive arrangement with SCTPs. The empanelled SCTPs shall be eligible for partnering BSNL across its area of operation. SCTPs, if selected for execution of a SCS project may enter into the separate agreement with BSNL for execution of the project.

BSNL is currently having a subscriber base of more than 105 million. BSNL also have a landline subscriber base of 13 million. BSNL is providing different Value Added Service on SMS, MMS, GPRS, EDGE and 3G etc. to its Cellular customers.

The SCTP shall be required to establish a platform preferably in Disaster Recovery mode & according to latest Regulatory Guidelines including TRAI QOS requirements, if applicable. It is expected that the SCTP approaching BSNL for partnership in this business shall be in the knowledge of the revenue streams/costs involved/business case of this business and shall have sufficient knowledge and resources to operate the services. The SCTP is expected to solely rope in all partners essential for end to end delivery of services to customers.

One of main requirement is linking up with other players in the value chain to provide a solution that meets the precise needs of the customer within many sectors and markets including Education, Energy & Utilities, Financial Services, Health, Public Services, Security, Transport & Logistics etc. The Ecosystem of SCS business should have below mentioned stakeholders and SCTP should be capable of performing all (except providing telecom Connectivity) activities involved in end to end delivery of SCS value chain, including, but not limited to following:

- i) Application data Compression Provider
- ii) Multi-network Connectivity layer Provider
- iii) Seamless Connectivity Service Management Platform Provider
- iv) End to end security transmission Provider
- v) Ultra-low bandwidth transmission Provider
- vi) Managed Service Provider
- vii) Operational Support Provider
- viii) Application Provider
- ix) System Integrator

Role and responsibility of BSNL and SCTP are defined in point no 5 (Scope of Work) of this document.

2. THE SALIENT POINTS REGARDING ELIGIBILITY CONDITIONS, DOCUMENTS REQUIRED AND MAJOR TERMS & CONDITIONS FOR SCTP ARE PROVIDED BELOW:

2.1 Eligibility Condition for SCTP:

- 2.1.1 The SCTP shall either be a company registered and incorporate in India under Companies Act, 1956/2013 or a foreign company. In case prospective SCTP is Foreign Company, it can participate either through its established place of business in India duly registered with the Registrar of Companies, Ministry of Corporate Affairs, the Government of India or through its wholly owned subsidiary company registered and incorporate under companies act 1956/2013.
- 2.1.2 The SCTP/its principal should have at least two year experience of successfully operating in the similar service with any operator globally at the time of applying to BSNL.
- 2.1.3 Technology offered should have been in satisfactory operation for minimum last one year for the similar services in any other operators at the time of applying to BSNL.
- 2.1.4 The technology/solution shall be a proven solution. The SCTP/its principal shall have minimum 2 deployments of the technology globally.
- 2.1.5 The SCTP/its principal and its technology partner(s)/its principal shall have a combined minimum annual turnover (audited) of Rupees 3 crore in the field of VAS/IT applications/Telecom applications during the last financial year or current financial year. The SCTP/ SCTP principal/ technology partner(s)/ technology partner(s) principal applicable shall submit a turnover certificate from the CA in this regard.
- 2.1.6 The SCTP/its principal and its technology partner/its principal should not have been blacklisted in any government sector.

2.2 List of documents to be submitted as part of the proposal:

- 2.2.1 Copy of the Article of Association & Memorandum of Association.
- 2.2.2 Latest audited Annual Report of the SCTP, in case printed copy is not available then copy of the same duly certified by the SCTP Secretary/ Director/ Managing Director of the SCTP.
- 2.2.3 Turnover certificate from the SCTP's Auditors/ CA mentioning the field of turnover as required under the eligibility conditions.
- 2.2.4 List of Directors including their names(s) and address(es) along with contact telephone numbers, DIN of each director & CIN of the SCTP.
- 2.2.5 Certified True copy of Board's/ Management's resolution in favor of

authorized signatory.

- 2.2.6 Specimen signature of the authorized official duly attested by SCTP's/authorized signatory's of Customer.
- 2.2.7 Nonrefundable processing fees of Rs. 50,000/- in the form of DD drawn in favour of AO (Cash), BSNL, New Delhi shall be submitted along with the proposal.
- 2.2.8 Non Disclosure undertaking, duly notarized on non judicial stamp paper of Rs.50/- (NDU format enclosed).
- 2.2.9 Technical details of the solutions and business plan.
- 2.2.10 Contact details i.e. Name, mail id, phone no., mobile no., fax no. of a responsible person for liaisoning in this matter.
- 2.2.11 Certificate for eligibility against requirement of eligibility conditions mentioned at clause 1.1(iii),1.1(iv), 1.1(v) of policy).The SCTP shall submit an irrevocable undertaking duly signed by it/ its principal and its technology partner(s)/ its parent, if applicable, stating that all of them i.e. the SCTP, its principal and its partner(s), its parent shall be liable for due performance of the contract jointly and severally, failing which all of them shall be liable to be barred from having any business dealing with BSNL for a period of three years.
- 2.2.12 If the SCTP/SCTPs intend to provide services/solution along with some technology partner then the documents to be submitted along with the proposal shall also contain the agreement between SCTP/ amongst partners clearly defining the responsibilities of each.
- 2.2.13 The SCTP shall submit an irrevocable undertaking duly signed by it/ its principal and its technology partner(s)/ its parent, if applicable, stating that all of them i.e. the SCTP, its principal and its partner(s), its parent shall be liable for due performance of the contract jointly and severally, failing which all of them shall be liable to be barred from having any business dealing with BSNL for a period of three years.
- 2.2.14 If turnover and experience of principal is considered then SCTP shall submit a declaration cum an Undertaking from its principal stating that the M/s(Name of Principal).....is the PRINCIPAL of M/s.....(name of SCTP)... and it (SCTP/ ITS PRINCIPAL) will support and take responsibility to enable its subsidiary SCTP<SCTP/ ITS PRINCIPAL > to perform the contractual obligation of the agreement to be signed by <SCTP/ ITS PRINCIPAL > with BSNL. In all such cases the Principal, along with SCTP, shall also sign the undertaking as indicated in clause 1.1(xi) of the policy.”
- 2.2.15 Undertaking for having capability to perform roles and responsibilities of App bandwidth optimization, App data encryption, Connectivity Provider, multi-network transmission, Seamless connectivity Platform Provider, Managed Service Provider, Application Provider, Infrastructure Provider and System Integrator as defined in Scope of Work (para-5.2).

- 2.2.16 A undertaking to provide that SCTP should not have been blacklisted in any government sector as indicated in clause 1. xiii
- 2.2.17 A undertaking to provide other document, if any, at the time of signing the project agreement.

3. Other requirements / Terms & Conditions:

- 3.1 SCTP / its principal must have thorough knowledge of SCS based services.
- 3.2 The SCTP only (main bidder) will interact with BSNL for all obligations/ payments; however all the technology partner(s) will be jointly and severally responsible for the execution of the project.
- 3.3 The SCTP/its principal and its technology partner(s)/its principal shall be jointly and severally responsible for due performance of the contract including continued post execution support of the project. Similarly both the SCTP and the partner shall be jointly and severally remain responsible for non performance interalia any other act that may lead to barring of business dealing with the SCTP (along with partners) or banning business with them.
- 3.4 SCTP should have a verifiable, scalable and stable platform (eco-system) in place which can be converted into a device supply chain and enable multiple commercial grade vertical services for BSNL in various areas such as automotive, smart meters and smart grid, consumer devices, Industrial Infrastructure remote monitoring etc. On demand, SCTP should be able to produce references for such international success stories in each vertical/areas.
- 3.5 SCTP should have verifiable, scalable and stable eco-system that can be self-sustained when interfaced/introduced to end consumer.
- 3.6 SCTP should have to comply with all regulations issued by Govt. agency time to time.

4. Process for empanelling BSNL partner for SCS services:

After scrutinizing the list of documents submitted by interested SCTPs, SCTP will be called for a Technical presentation which includes future planning and road map for executing SCS services in BSNL.

5. Signing of Agreement:

- 5.1 This Agreement is non-exclusive and nothing in this Agreement will be construed to prevent either Party from entering into a similar Agreement with any other Party or to restrict such Party from directly engaging in related activities.
- 5.2 BSNL intends to sign a master service agreement with SCTP in which majority of terms & condition shall be available, however if required an addendum agreement may be signed with SCTP depending upon the commercials of the project. The addendum agreement and other requirements of the project shall

be finalized in discussion with SCTP. The master service agreement to SCTP shall be provided after empanelment.

6. SCOPE OF WORK:

6.1 The following broad scope of work (SOW) is only indicative/ tentative and may differ on case to case basis at the time of discussions with the SCTP based on type of solution proposed and responsibility matrix. The actual SOW shall be made part of agreement in each case, on case to case basis.

6.2 Currently, BSNL is involved in providing basic voice and data connectivity services to their customers. BSNL has wide mobile coverage in rural areas, but data usage is still relatively low. Any technology which would facilitate ultra-low bandwidth transmission of data for accessing internet services may bring more customer satisfaction. The BSNL eco-system is well equipped to handle the distribution network for these services as well as work flows for service delivery and service assurance. However, when it comes to SCS, there are some specific requirements that need to consider and those are not being addressed by the current BSNL eco-System. Some of these requirements are listed below:

6.2.1 SCS involves highly efficient compression techniques that can reduce the size of the data exchanged between a mobile application and its server.

6.2.2 SCS involves end to end encryption security scheme to make sure that privacy is protected and at the same time it must not too much affect the required bandwidth.

6.2.3 SCS involves the usage of SMS when no data network is available. These SMS are used only as transport layer and remain invisible for the end-user in the App.

6.2.4 Operationalizing SCS Solutions requires interactions with multiple players who would offer different services for service fulfillment, service delivery, service assurance and service termination.

6.3 The main aspects involved in development and operation of SCS services in BSNL eco-system are as mentioned in below figure-1.

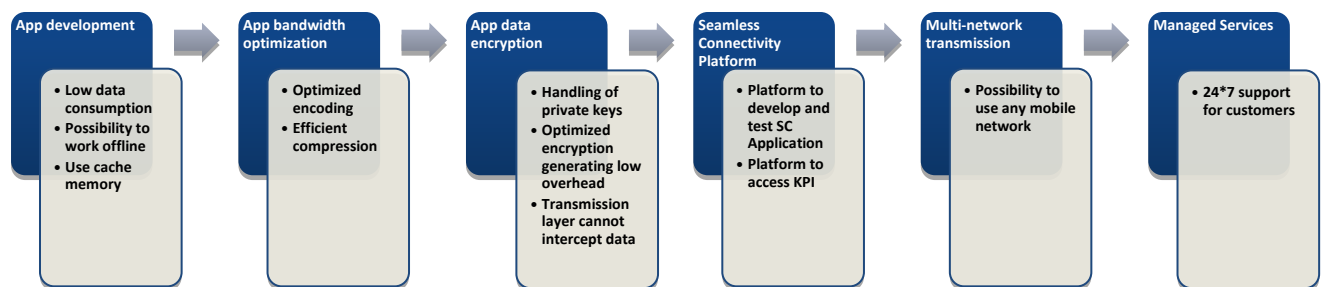


Figure 1: Aspects involved in development and operation of SCS service

6.4 Roles & Responsibility of BSNL:

- 6.4.1 BSNL will do interaction with enterprise customer individually or jointly with SCS partner.
- 6.4.2 BSNL will provide telecom connectivity to SCS PARTNER for installing SCS solution as per requirement of Enterprise customer. Types of connectivity are E1 connectivity for SMSC, PRI connectivity for voice response system & WAP connectivity, Broadband connectivity for Internet etc.
- 6.4.3 BSNL will provide Short codes, Long Codes & Access Point Name (APN)s for SMS, USSD, IVR etc.
- 6.4.4 BSNL will provide Subscriber Identity Module (SIM) for SCS solution as per requirement of Enterprise customers.
- 6.4.5 BSNL will prepare special tariff plans for SCS Enterprise customers as per requirement and feasibility.
- 6.4.6 BSNL may use man-power for field support for day to day operation & Maintenance (O&M), if required and feasible.
- 6.4.7 BSNL will provide support for network related problems.
- 6.4.8 Hosting Infrastructure: Infrastructure including AC/ Power/ space / connectivity to local BSNL Network etc. shall be provided by BSNL for this business in case deployment is done in BSNL Premises at no cost to SCTP.
- 6.4.9 BSNL will do its best effort to promote the new service for its customers and especially B2B customers.

6.5 Roles & Responsibility of SCTP

- 6.5.1 The SCTP shall be responsible for complete implementation of SCS solution, which includes introduction and training to SCS platform, support during integration and testing, putting into operation and establishing the successful performance during the period of agreement with customer and comprehensive operational support. Complete implementation means full responsibility to implement SCS solution for customer as specified by them.
- 6.5.2 SCTP should be capable of performing all (except providing telecom Connectivity) activities involved in end to end delivery of SCS value chain, including, but not limited to following:
 - 6.5.2.1 **Application bandwidth optimization:** SCTP should have the knowledge and experience in developing mobile Apps that consume less data than usual. The data size shall be reduced by 50% from the original size.
 - 6.5.2.2 **Application data encryption:** SCTP should have the knowledge and experience in developing mobile Apps that use end to end encryption scheme. If necessary (only for data that has to be protected), data exchanged between an App and its server shall remain inaccessible by the transmission layer. In particular, the usage of transparent SMS shall be highly secured by this encryption scheme. It shall not add more than 25% overhead on the original unencrypted data in the context of SMS usage.

- 6.5.2.3 **SCS service management platform:** SCTP should have a tie up with SCS “connectivity / service management platform” provider. The portal offered by the Platform shall include an online management interface that gives customers/partners complete possibility to integrate and test the SCS into their Apps. After the integration, through the portal, customers can view usage and statistics on their Apps. The Portal shall also serve as a point of contact between SCTP the customer and the network operations center. If an authorized customer/partner requires technical support, they can submit request through the Portal. SCTP should have expertise in product engineering of SCS Connectivity / Service Management Platform and can provide services to integrate the SCS Connectivity / Service Management Platform with the BSNL infrastructure (network, OSS & BSS) and offer Managed Services for the same.
- 6.5.2.4 SCTP shall have to operate servers/platforms including hardware/ other software/database etc. in a location finalized as per the requirements of Enterprise customers in BSNL service area.
- 6.5.2.5 SCTP shall have to do all the Operation & management of SCS service management platform (including warranty).
- 6.5.2.6 SCTP shall have to assist BSNL in preparing Rate Plans for enterprise customers
- 6.5.2.7 SCTP shall have to prepare self-service portal.
- 6.5.2.8 SCTP shall have to prepare on boarding of customers.
- 6.5.3 **Multi-network transmission:** SCTP shall provide a multi-network transmission solution in order to transmit Application data even without internet, when no data network is available. The objective is to leverage all existing networks without requiring any additional investments. In particular, it shall enable using transparent and encrypted SMS. Mobile Apps compatible with SCS shall continue working even when the data network is weak or saturated and even in areas without data network, using encrypted SMS.
- 6.5.3.1 **SCS Application Development center:** SCTP should have the expertise to develop SCS applications for various industry verticals and should have an extensive portfolio of SCS solutions (including partner solutions) for various segments. For example, SCTP have end to end solution(s) for education, agriculture, fleet management & logistics enabling the customer to gain competitive advantage over competitors. SCS Application development center will often be tasked with identifying successful applications that are „live“ in a single local market and that have multi-country potential. The reasoning is that, significant value can be generated by bringing proven single country solutions to a wider audience.
- 6.5.3.2 SCTP shall have ready solutions (in-house as well as from partners) spanning a wide range of verticals.
- 6.5.3.3 SCTP shall have a proficiency in design of new solutions and rapid implementation by using reusable components.

6.5.3.4 **Managed Services:** SCTP should have a rich managed service experience with presence across all geographies, managing varied scale of operations & business-lines. SCTP have a skilled resource pool, technology know-how, robust processes to manage technology operations. SCTP can also deliver managed services around SCS Solutions. There are basically four points where support is required i.e. Applications, SCS Devices, Connectivity, Data-center/Infrastructure.

6.5.3.5 L1 and L2 support shall be provided by SCTP on mutual agreement with BSNL.

7. **Engagement with Customers:**

7.1 There are two different categories of engagement with customers for providing SCS services. Category I relates to end-users (B2C). The same is applicable when BSNL decides to launch a SCS service for its own customers. Category II relates to enterprises (B2B).

7.2 Procedure of engagements with B2C/B2B customers:

7.2.1 **B2C Customers:**

The SCTP has to support SCS services in B2C model. The decision for launching such services shall be taken by BSNL at its own discretion.

7.2.2 **B2B Customers:**

BSNL may ask quotes from empaneled SCTPs as per the requirement and selects one SCTP. Quote of the selected SCTP may be sent to customer after including BSNL's charges and other License Fee/Corporate tax etc.

7.3 Procedure for selection of SCTP:

7.3.1 Quotes will be asked from empaneled SCTPs as per requirements from customers.

7.3.2 First right of refusal should remain with the SCTP, who was selected by customer. It means, the quote of other SCTP, if found to be L1, then such L1 rate may be offered first to the SCTP, whose proposal was selected by customer. If such SCTP does not accept the offered L1 rate, the work may be awarded to the SCTP, who quoted the L1 rate.

7.3.3 In order to bring seriousness in the offer from other SCTP, suitable provision of EMD may be kept. In case, SCTP refuses to accept its own quoted rate, EMD could be forfeited by BSNL in addition to other punitive actions like blacklisting etc.

7.3.4 The proposal should be submitted by SCTP, signed by authorized signatory, to respective circle.

7.3.5 EB team of Circle office shall examine the proposal and liaison with SCTP, concerned ministry/ department/enterprise (customer) etc.

7.3.6 If required, a Proof of Concept (POC) testing may be conducted at a zonal/circle/SSA level to check the technical feasibility or to conduct a Demo

for customer. BSNL will provide the necessary connectivity and other hosting infrastructure for POC on no additional cost to BSNL.

- 7.3.7 BSNL may sign a separate agreement with Customer and SCTP or may sign a combined tripartite agreement based on the proposal and discussions with Customer's on case to case basis.
- 7.3.8 In case BSNL signs separate agreement with Customer and SCTP and there is a technology partner to the SCTP as well, in such a case BSNL may sign a tripartite agreement (BSNL-Customer-SCTP) making the technology partner a party in the agreement.
- 7.3.9 All the agreements shall be signed at circle for circle level deployment and at NTR for PAN India deployment.

A quotation will be send to customer for their consent. Quotation sent to customer will include all necessary License fee, spectrum charges, Govt. Tax, octroi tax or any other levy payable to government pertaining to SCS service.

8. **Indemnification**

SCS shall indemnify BSNL in respect of any consequences of whatsoever nature arising on account of copy right / intellectual property rights violation in respect of content / technology or Nature / Type of content provided directly by third party i.e. customer, being in violation of the Laws of India. SCS shall also indemnify BSNL against any penalty or financial burden imposed by customer or any other authority due to some act(s) of SCS.

9. **Commercial Terms & Conditions:**

Salient points for Commercial model for SCS services are as follows:

- 9.1 SCS service is a novel approach in telecom domain and presently in its progressive stage in India. Like standard BSNL policies and services it is not feasible to fix standard revenue share with SCTP.
- 9.2 For the first part, training and support is to be provided during SCS integration for government, B2C or B2B Apps. BSNL gets 10% from these integration fees received from customers. Once the App is in production, end-users (or business customer as applicable) need to pay some access fees. SCTP and BSNL shall follow revenue sharing as follows:

Revenue share table for Category-I* and II:

Revenue Split	BSNL Revenue (%)	SCTP Revenue (%)
SCS integration Revenue (Solution revenue)	25%	75%
Connectivity Usage Revenue	70%	30%

- 9.3 **Performance Bank Guarantee (PBG):** In regards to the **Performance Bank Guarantee** required by enterprise customer, the SCTP shall submit a Bank guarantee of 2% of the cost of the project (i.e. amount quoted to enterprise customer) to BSNL at the time of signing of Project specific Agreement. However it is to be mentioned that the SCTP will be solely responsible for all the activities done by the technology partner (if it exists). PBG shall be valid for the **entire duration + 6 months** from the date of signing of Agreement with **SCS vendors**. BSNL shall reserve the right to en-cash the BG in case vendors withdraw from the Agreement citing commercial/ business case reasons/breach of terms and conditions of the agreement by **vendors**.
- 9.4 It is expected that in addition to the various costs the following costs shall also be borne by the SCTP / its principal:
- i) Commission to other aggregators/integrators of billers
 - ii) Octroi tax, VAT etc pertaining to SCS service, if any, on actual basis.
 - iii) Any other cost which is mutually agreed
- 9.5 **Costs to be taken into account before division of revenue share between BSNL &SCTP/ its principal:** Following shall be removed from the revenue received from Customer before sharing with the SCTP.
- i) License fee, spectrum charges, corporate tax any other levy payable to Licensing Authority pertaining to Telecom service, if any, on actual basis.
 - ii) Any other cost which is mutually agreed
10. **Duration of Agreement:** 3 years (36 months) initially and thereafter on mutual negotiations.
11. **Empanelment Fee:** SCTP shall pay Rs. 50,000/- (Rupees Fifty Thousand only) towards Empanelment Fee at the time of signing of the agreement.
12. **Submission of Proposal:** Interested and eligible companies may submit their proposals along with all the requisite documents, on any working day to:-

DGM (VAS – I)

**Bharat Sanchar Nigam Limited,
Second Floor, Bharat Sanchar Bhavan,
HC Mathur Lane, Janpath, New Delhi - 110001**

Note: This policy is open ended and any company which is interested and meets the eligibility conditions may submit it proposal on any working day. BSNL would however reserve the right of periodic review of the entire policy or any elements thereof based on its business needs.

FORMAT OF THE NON-DISCLOSURE UNDERTAKING

(To be submitted duly notarized on non-judicial stamp paper of Rs.50/- only)

M/s _____, a company registered under Companies Act 1956, having its registered office at _____ acting through Shri _____, the authorized signatory (which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) hereby declare and undertake that we will not divulge any part of this agreement either through oral or written communication or through any mode to anyone.

We further undertake and declare that we shall be responsible for safe custody of the papers/documents including the Agreement proposed to be entered into between M/s BHARAT SANCHAR NIGAM LIMITED and ourselves. We shall ensure all necessary steps to safeguard the privacy and confidentiality of the Agreement and shall use our best endeavours to secure that no person acting on our behalf or ourselves divulge or disclose or use any part of the Agreement without the written consent of M/s BHARAT SANCHAR NIGAM LIMITED.

We further declare and undertake that if we declare not to sign the above Agreement with M/s BHARAT SANCHAR NIGAM LIMITED, we shall return back the copy of the Agreement (in original) back to GM (VAS) acting on behalf of M/s BHARAT SANCHAR NIGAM LIMITED within one month without preserving any copy of the same, in any form, whatsoever.

We further declare and undertake to indemnify M/s BHARAT SANCHAR NIGAM LIMITED for any loss or damage(s) caused to it by virtue of any default from our side in compliance to the aforesaid conditions.

Signed on behalf of M/s _____ by Shri _____ (Name and Designation) authorized signatory.