

No.P-11014/13/08-PP
Government of India
Ministry of Communications and IT
Department of Telecom
Sanchar Bhavan, 20 Ashoka Road,
New Delhi.

Request for Proposal (RFP) for Selection of Agency for Conducting e-Auction of Spectrum in 2.1 GHz, 2.3 GHz and 2.5GHz Bands.

1.1 Introduction

Bidders are invited to submit applications for selection of Agency to conduct the e-auction of spectrum for 3G and BWA services in 22 telecom service areas (Annexure I) in India in two parts viz. Technical (Annexure IIA) and Commercial (Annexure IIB) as per enclosed proforma. Both technical and commercial bids separately sealed and complete in all respect, should be submitted in a third sealed cover to Wireless Adviser to Government of India, Sanchar Bhawan, 20 Ashoka Road, New Delhi –110 001 by 14.30 hrs. on 3rd September 2008.

1.2 Policy Guidelines for Auction of Spectrum

Detailed policy guidelines relating to auction of spectrum for 3G and BWA services are available at www.dot.gov.in

1.3 Eligibility Criteria for the Company to act as selection agency for conducting e-auction:

1.3.1 The bidder may be a company registered under the Indian Companies Act, 1956 or a foreign company incorporated in a country outside India or a joint venture of such companies.

1.3.2 The bidder shall submit its application in duplicate in the prescribed application form.

1.3.3 The bidder shall pay a non-refundable processing fee of Rs 50,000/- or equivalent (in US\$ or Euro or Pound Sterling) payable to Pay and Accounts Officer, DOT, New Delhi.

1.3.4 The bidder shall not have any equity directly or indirectly in any **telecom or internet** service provider in India. Similarly, any telecom or internet service provider **shall** not have any equity directly or indirectly in the bidder.

1.3.5 Bidder shall declare its Indian and foreign equity holdings (both direct and indirect).

1.3.6 The bidder shall have a minimum paid up capital of Rs 10 Crores or equivalent on the date of application.

1.3.7 The bidder company and its substantial equity holders in the bidder company shall have a combined net worth of at least **Rs. 25 crores or equivalent**. The substantial equity

holders shall be those who have at least 10% or more equity stake in the total equity of the bidder company. This information should be duly authenticated under the law

- 1.3.8 The bidder company should have the experience of having conducted at least **five e-auctions in the last three (3) years**. The total value of all e-auctions conducted by it in the last three(3) years should be at **least Rs 2,500 crores or equivalent** and it must have conducted at least one e-auction on a simultaneous ascending system valued at more than **Rs 100 crores or equivalent during the last five (5) years** .
- 1.3.9 The bidder having conducted simultaneous, controlled, ascending e-auctions of spectrum or telecom licences in the last five (5) years may be given preference.
- 1.4 **Earnest Money**: All bidders shall have to deposit a **Bank Guarantee** of Rs. 10 lacs as earnest money along with their application.

1.5 Scope of Work

- 1.5.1 To conduct auction of
- (i) spectrum blocks in 2.1 GHz band as determined by Department of Telecommunications (DOT), Government of India, telecom service area-wise, as per detailed guidelines issued by the Department of Telecommunications **on 1st August 2008** for 3G services .
 - (ii) spectrum blocks in 2.3 and 2.5 GHz band as determined by Department of Telecommunications, Government of India, telecom service area-wise, as per detailed guidelines issued by the Department of Telecommunications **on 1st August 2008** for BWA services.
- 1.5.2 The functions of the selected agency shall be :-
- (a) to advise the Government of India (GOI) in structuring and implementing the overall process of e-auction on a simultaneous, controlled, ascending basis, including the e-aspects, so that the following objectives of GOI are met:-
 - (i) ensuring a transparent and fair auction and selection process
 - (ii) optimising revenue received
 - (iii) promoting growth of telecom services

(This may involve continuous interactions with the inter-ministerial committee set up for this purpose by the GOI.)
 - (b) to advise on setting the rules for the bidding process and preparing bid documents for e-auction.
 - (c) to develop an optimum auction plan, telecom service area wise, taking into account the availability of spectrum and the competition characteristics.
 - (d) to advise on the manner in which the appropriate market interest and excitement could be created in the auction both in India and abroad.
 - (e) to advise on the safeguards to be built in the e-auction system to ensure the security of the entire process.
 - (f) to conduct the e-auction of spectrum for 3G and BWA services in 22 Telecom service areas as per decisions of the GOI.

- (g) to document the entire process of e-auction of spectrum.
- (h) to provide all other incidental services till the completion of the process and selection of the successful bidder(s).

1.6 Regulatory and Commercial Conditions/Requirements

- 1.6.1 For interpretation of any clause of this RFP, the decision of DOT would be final and binding on the bidder.
- 1.6.2 The bidder and all its substantial equity holders would be jointly and severally responsible for conducting e-auction of spectrum for 3G/BWA services.
- 1.6.3 The first simultaneous, ascending e-auction of spectrum in all the 22 telecom service areas would be conducted **within three months** from the signing of contract. Thereafter, auctions would be conducted from time to time within a period of one (1) year as per need and depending upon the availability of spectrum in different telecom service areas.
- 1.6.4 The bidder shall submit its technical and financial bids separately in sealed covers.
- 1.6.5 In its financial bid, the bidder shall quote its fee as a percentage of revenue realised from auction minus the reserve price as mentioned in para 5 of the 3G guidelines dated 1st August 2008. It is clarified that this quoted fee covers the fee for conducting both 3G and BWA spectrum auctions.

1.7 Time Schedule and Clarification on RFP Document and Pre-bid Conference

- 1.7.1 Any bidder interested in being selected to conduct the 3G as well as BWA spectrum auctions should respond to this RFP as per **Calendar of Events** enclosed at **Annexure III** to this RFP to the Wireless Advisor to the Government of India, **Department of Telecommunications, Sanchar Bhawan, 20 Ashoka Road, New Delhi.**
- 1.7.2 Any bidder requiring any clarification on the RFP document shall submit in writing a request to the Wireless Advisor, DOT or at email id spectrum-dot@nic.in for any clarification by the date mentioned in the **Calendar of Events** (Annexure III).
- 1.7.3 A **pre-bid conference** shall be held on 27th August 2008 at the Conference Hall, 13th Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi 11001 at 11.00 hrs. with prospective bidders. The request for clarification received as per clause 1.7.2 above, shall also be clarified in the pre-bid conference.
- 1.7.4 Any clarification issued by DOT in response to queries raised by the bidder(s) shall form an integral part of the RFP document and it will amount to an amendment in the relevant clauses of the RFP document.
- 1.7.5 The bidder shall submit its bid to Wireless Advisor, DOT, Room No.605, Sanchar Bhawan, 20 Ashoka Road, New Delhi –110 001 as per the details mentioned in Annexure III by **14.00 hrs. on 3rd September 2008**. The **covering letter** to the bid shall give the details of the eligibility criteria mentioned in Para 1.3 above alongwith the supporting documents. **Technical bid** as per **Annexure IIA** and **Financial bid** as

per **Annexure IIB** sealed in separate envelopes and complete in all respect, should be kept in a third sealed cover along with the covering letter to the bid.

1.7.6 The bidders who will meet eligibility criteria shall make presentation before the **Evaluation Committee** on **17th September 2008** in the Committee Room, Second Floor, Sanchar Bahavn, 20, Ashoka Road, New Delhi. The bids of all those bidders who do not meet the eligibility criteria shall be returned in unopened condition.

1.7.7 The time schedule for other activities shall be as per **Annexure III**.

1.8 Selection Criteria

1.8.1 All bidders shall submit documentary proof in support of meeting eligibility criteria as laid down in para 1.3 as a part of their technical bid in the prescribed format. Selection of the bidder(s) will be based on technical and financial evaluation of the bid. The evaluation will be in two stages, technical and financial. All applicants that meet the eligibility criteria will have to make a **presentation** before the **Evaluation Committee** constituted by the Government of India, clearly demonstrating their experience and capacity to conduct the auction. After the presentation, the technical bids of all eligible bidders shall be opened on the same day before the bidders or their authorised representative. Financial bid(s) shall be opened for only those bidders who are short listed after the evaluation of technical bids. All eligible bidders shall be invited to send their representative at the time of the opening of the technical bids. Only bidders short listed on the basis of technical evaluation will be invited to send their representatives for the opening of the financial bid. The financial bids of those bidders who are technically not qualified shall be returned in unopened condition.

1.8.2 The weightage for different parameters in the **technical bid** will be as follows.

- A. General (10%)
 - Size of the firm (Revenue) (5%)
 - Track record in no. of years in presence (5%)
- B. Experience in Telecom related assignments (10%)
- C. Experience in Auctions (70%)
 - Capacity of personnel (20%)
 - Large auctions (10%)
 - e-auctions (30%)
 - e-security (10%)
- D. Ownership of portal (10%)

1.8.3 Only those bidders scoring 70% and above on the criteria mentioned in para 1.8.2 will be declared technically qualified and only their financial bids will be opened for further evaluation. The financial bids of the remaining bidders shall be returned in unopened condition.

- 1.8.4 The final selection will be made on the basis of the combined score in technical and financial criteria. For this purpose a weightage of 80% and 20% will be assigned to financial and technical criteria respectively. The lowest financial bid will be assigned the full weightage and the rest will be proportionately given lower weightages as per the formulae **(Lowest price /Quoted price) x 80**. The weighted scores of technical and financial criteria will be added up and the bidder with the highest combined score will be declared successful.
- 1.8.5 In situations where lowest quoted rate (L1) of two or more technically qualified bidders are the same, a fresh round of financial bids from such bidders shall be called. The bidder with the lowest valid offer among these shall be selected.

1.9 Fees

- 1.9.1 The successful bidder would be paid the fee determined as per para 1.6.5 above. Payment shall be made for actual auctions conducted. No other payment shall be made for any charge or expenditure.
- 1.9.2 A lump sum drop dead fee, if any, payable in case Government abandons the auction at any stage after award of the contract and the auction process has been started by the Agency may also be indicated separately.

1.10 DOT's Rights in respect of RFP/Auction

- 1.10.1 DOT reserves the right to accept or reject any bid without assigning any reason.
- 1.10.2 DOT reserves the right to modify terms and conditions of the contract which shall be granted to the successful bidder after the bidding process, if in the opinion of the DOT, it is necessary or expedient to do so in public interest or interest of the security of the State or for proper conduct of the e-auction. The decision of the DOT shall be final and binding in this regard.
- 1.10.3 DOT reserves the right to suspend the e-auction, cancel the contract with the selected party in part or in whole at any time if in the opinion of the DOT it is necessary or expedient in the public interest.
- 1.10.4 The decision of the DOT shall be final and binding in this regard. Also DOT shall not be responsible for any damage or loss caused or arisen out of aforesaid action.
- 1.10.5 The selected party will work under the directions and guidance of a Standing Committee to be set up by the Department of Telecommunications, Government of India.

1.11 Performance Bank Guarantee

- 1.11.1 The successful company shall submit a Performance Bank Guarantee in prescribed format for an amount of Rs. 50 lac before signing a contract/agreement for conducting the e-auction. On satisfactory completion of auction, this PBG shall be released.

1.12 Security Conditions

- 1.12.1 The company shall take adequate and timely measures to ensure that information provided through it as part of this contract/agreement shall be kept confidential, secure and protected.
- 1.12.2 The company shall ensure that adequate safeguards are built into the e-auction system.

1.13 Force- Majeure

If at any time, during the continuance of this contract, the performance in whole or in part, by either party, of any obligation under this is prevented or delayed, by reason of war, or hostility, acts of the public enemy, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts (as are not limited to the establishments and facilities of the contractor), fire, floods, natural calamities or any act of GOD (hereinafter referred to as EVENT), provided notice of happenings of any such EVENT is given by the affected party to the other, within 21 Calendar days from the date of occurrence thereof, neither party shall, by reason of such event, be entitled to terminate the this contract, nor shall either party have any such claims for damages against the other, in respect of such non-performance or delay in performance provided the contract shall be resumed as soon as practicable, after such EVENT comes to an end or ceases to exist. The decision of the Secretary, Department of Telecom as to whether the service may be so resumed (and the time frame within which the service may be resumed) or not, shall be final and conclusive, provided further that if the performance in whole or part of any obligation under this contract is prevented or delayed by reason of any such event for a period exceeding 60 days either party may, at his option terminate the contract.

1.14 Arbitration

- (a) In the event of any question, dispute or difference arising under the agreement in connection therewith (except as to matters, the decision to which is specifically provided under this agreement) the same shall be referred to sole arbitration of the Secretary, DOT(hereinafter referred to as the said officer) and if the Secretary, DOT is unable or unwilling to act as such, than to the sole arbitration of some other person appointment by the Secretary, DOT. The agreement to appoint an arbitrator will be in accordance with the Arbitration and Conciliation Act, 1996. The adjudication of such Arbitrator shall be governed by the provisions of the Arbitration and Conciliation Act, 1996, or any statutory medication or r-enactment thereof of any rules made thereof.
- (b) The arbitrator may from time to time with the consent of both the parties enlarge the time frame for making and publishing the award. Subject to aforesaid Arbitration and Conciliation Act,1996 and the rules made there under, any modification thereof for the time being in force shall be deemed to apply to the arbitration proceeding under this clause.
- (c) The venue of the arbitration proceeding shall be the office of Secretary, DOT or such other place as the arbitrator may decide.
- (d) Upon any and every reference as aforesaid, the assessment of costs and incidental expenses in the proceedings for the award shall be at the discretion of the Arbitrator.

ANNEXURE-I**SERVICE AREA (TELECOM CIRCLES/ METROS) AND THE AREAS COVERED BY THEM FOR THE PURPOSE OF THIS LICENCE**

Sl. No.	Name of Telecom Circle/ Metro Service Area	Areas covered	Category
01.	West Bengal	Entire area falling within the Union Territory of Andaman & Nicobar Islands and area falling within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area.	B
02.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh.	A
03.	Assam	Entire area falling within the State of Assam.	C
04.	Bihar	Entire area falling within the re-organised State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganisation Act, 2000 (No.30 of 2000) dated 25 th August, 2000.	C
05.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).	A
06.	Haryana	Entire area falling within the State of Haryana except Pachkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.	B
07.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh	C
08.	Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.	C
09.	Karnataka	Entire area falling within the State of Karnataka	A
10.	Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.	B
11.	Madhya Pradesh	Entire area falling within the re-organised State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated 25 th August, 2000.	B
12.	Maharashtra	Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area.	A
13.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	C
14.	Orissa	Entire area falling within the State of Orissa.	C
15.	Punjab	Entire area falling within the State of Punjab and Union territory of Chandigarh and and Panchkula Town of Haryana.	B
16.	Rajasthan	Entire area falling within the State of Rajasthan.	B

17.	Tamilnadu	Entire area falling within the State of Tamilnadu and Union Territory of Pondichery including Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges	A
18.	Uttar Pradesh-West	Entire area covered by Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh : Pilibhit, Bareilly, Badaun, Etah, Mainpuri and Etawah. It will exclude the local telephone area of Ghaziabad and Noida. However, it will also include the newly created State of Uttaranchal pursuant to the Uttar Pradesh Re-organisation Act, 2000 (No.29 of 2000) dated 25 th August, 2000.	B
19.	Uttar Pradesh – East	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh : Shahjahanpur, Farrukhabad, Kanpur and Jalaun.	B
20.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges	Metro
21.	Kolkata	Local Areas served by Calcutta Telephones.	Metro
22.	Mumbai	Local Areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges	Metro

NOTE:

1. Yenum, an area of Union Territory of Pondicherry is served under Andhra Pradesh Telecom Circle in East Godavari LDCA.
2. The definition of Local areas of exchanges will be as applicable to the existing cellular operators, i.e. at the time of grant of cellular Licences in Metro cities.
3. The definition of local areas with regard to the above service area as applicable to this Licence is as per definition applicable to Cellular Mobile Service Licences as in the year 1994 & 1995, when those Licences were granted to them. This is in accordance with respective Gazette Notification for such local areas wherever issued and as per the statutory definition under Rule 2 (w) Indian Telephones Rules, 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued.

Proforma for Technical Bid

(PROCESSING FEE OF APPLICATION FORM – RS. 50,000/- ONLY)

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
DEPARTMENT OF TELECOMMUNICATIONS
SANCHAR BHAWAN, 20 ASHOKA ROAD, NEW DELHI-110 001.

1. Name of Bidder : _____

2. Complete postal address
with Telephone/FAX Nos./E-Mail
i) Corporate Office _____

- ii) Registered Office in India _____

3. Address for correspondence with _____
Telephone/FAX Nos./E-mail _____

4. Name of Authorised contact _____
person, his designation, address and Telephone/FAX Nos./Email
5. Details of payment of processing fee (DD/PO/Bankers cheque to be enclosed in a separate envelope).
6. Certified copy of Certificate of Registration along with
Articles of Association and Memorandum of Understanding.
(Company Secretary to certify the copy)

7. (a) Details of substantial equity holders (duly authenticated under the law):

S.No.	Name of Shareholder	Indian/ Foreign	Equity %age.	Networth
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

8. Paid up capital (duly authenticated under the law):

9. Certified copy of Agreement between the Indian company and foreign partner(s), if any

10. Certified copy of approval of Government of India for terms of Foreign Collaboration or copy of application submitted to SIA/ Government in this regard with proof of Submission, if any

11. (a) **Names of Chairman / Managing Director / Directors of the applicant Company** **Nationality**
- | | |
|-------|-------|
| ----- | ----- |
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- (b) **Details of Chief Executive Officer / Chief Finance Officer**

<u>Name</u>	<u>Designation</u>	<u>Nationality</u>
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12. Power of Attorney by Resolution of Board of Directors that the person signing the application is authorized signatory.
13. Undertaking that the bidder do not have any equity directly or indirectly in any **telecom or internet** service provider in India and vice-versa.
14. Copies of the orders for **e-auctions in the last five years (5) years. (Copies of their completion and performance are also to be enclosed).**

15. Details of simultaneous ascending e-auctions of spectrum or telecom licences conducted in the last five (5) years.
16. Please indicate strength of bidder Co. in respect of following:
- A. General
 - Size of the firm (Revenue) -
 - Track record in no. of years in presence -
 - B. Experience in Telecom related assignments -
 - C. Experience in Auctions
 - Capacity of personnel -
 - Large auctions -
 - e-auctions -
 - e-security -
 - D. Name of the portal and ownership certificate:

Certificates/undertaking:

- A. I hereby certify that I have carefully read the conditions and guidelines of the Request for Proposal document. I undertake to fully comply with the terms and conditions therein.
- B. I understand that this application if found incomplete in any respect and/or if found with conditional compliance or not accompanied with the processing fee shall be summarily rejected.
- D. I understand that processing fee is non-refundable irrespective of any reason whatsoever.
- E. I undertake to sign the contract, within the prescribed time notified to me failing which my application shall be taken as rejected and processing fee forfeited.
- F. I understand that all matters relating to the proposal and or contract, if awarded to me, will be subject to jurisdiction of courts/Tribunal(s) in Delhi/New Delhi only.
- G. I understand that if at any time, any averments made or information furnished in my proposal is found incorrect, then my application and the contract, if awarded, on the basis of such application, shall be cancelled.

Date

Place.

Signature and name of the

Authorised Signatory

(Company's Seal)

Proforma for Financial Bid

1. Name and Address of the Bidder :

2. Name :

3. Address:

4. Telephone No.

5. Fax. No.

6. E-Mail Address:

7. Quoted Fee

(a) Percentage (%) Fee as per para 1.6.5 of RFP:

(b) Lump sum drop dead fee (as per para 1.9.2 of RFP) in INR:

Signature of the authorized signatory of the bidder company

For and on behalf of (Name of the Company)

Annexure III**Calendar of Events**

S.No.	Activity	Date
1.	Posting of RFP on the web and publication of notice	14 th August 2008
2.	Issue of RFP	18 th August 2008
3.	Pre bid Conference	27 th August 2008
4.	Clarifications by DoT	29 th August 2008
5.	Submission of the technical and financial bids	14.00 hrs on 3 rd September 2008
6.	Opening of covering letter and selection of bidders who meets eligibility criteria	14.30 hrs on 3 rd September 2008
7.	Presentation by the eligible bidders and opening of technical bids	17 th September 2008
8.	Finalisation and declaration of technically qualified bidders	18 th September 2008
9.	Opening of Financial bids of technically qualified bidders	11.00 hrs on 19 th September 2008
10.	Finalisation of bids	23 rd September 2008