



Department of Telecommunications, Ministry of Communications
Bharat Broadband Network Limited

Pre-Bid Conference

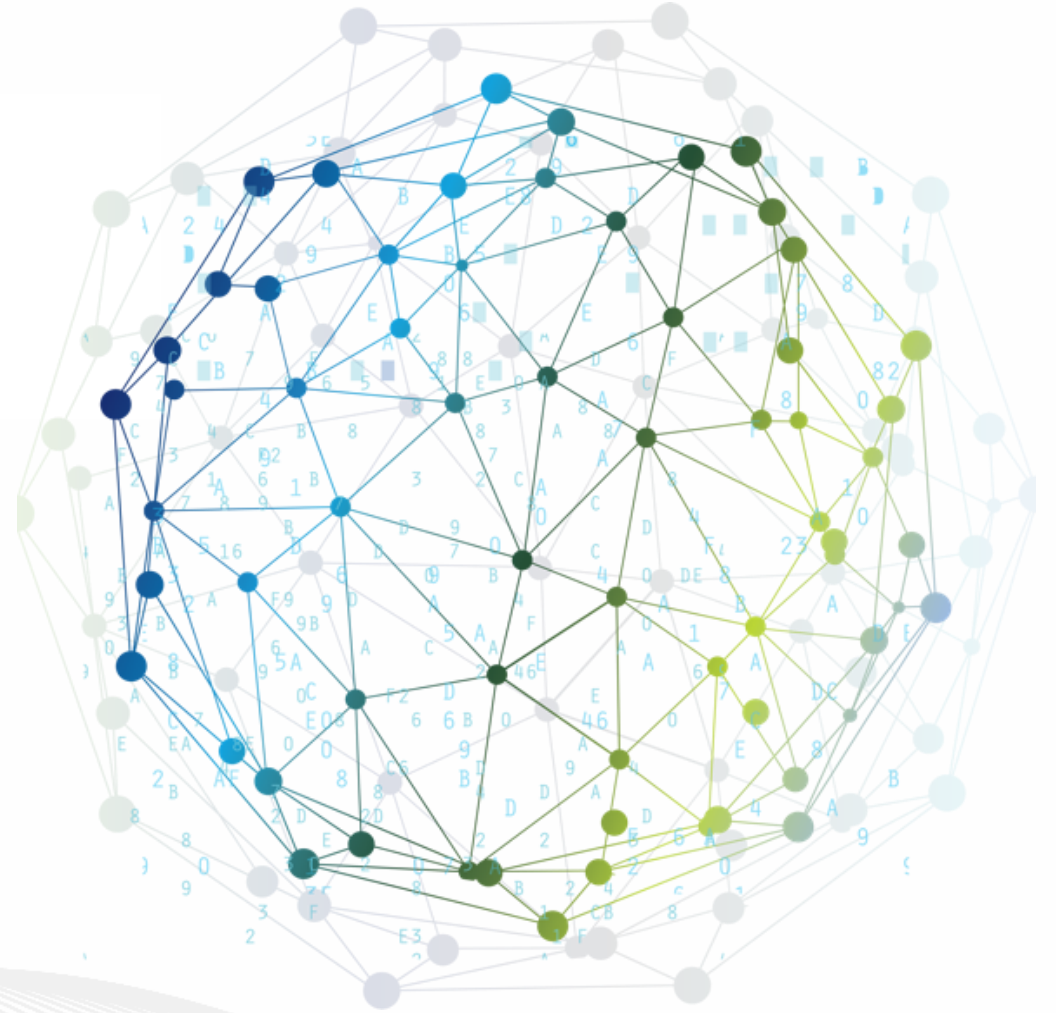
**Development of BharatNet
through Public Private Partnership in 16
States of India**

Agenda

- 🏆 **BharatNet Phase I & II Network Overview**
- 🎯 **Details of Public Private Partnership**
- 🧠 **Open Discussion**



BharatNet **Phase I & II** **Network**

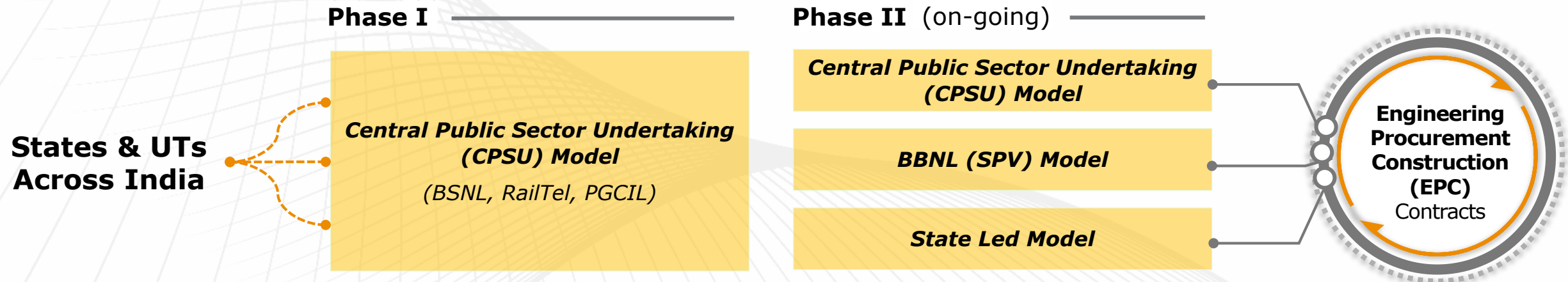


Objective of BharatNet Project

BharatNet is a flagship project of Government of India (GoI) funded by Universal Service Obligation Fund (USOF), Department of Telecommunications (DoT).

- Provide **affordable broadband services to citizens and institutions** in rural and remote areas
- **Connecting and enhancing network up to villages** (based on NIC shared LGD data) through **reliable broadband medium, largely by optical fibre cable**
- **Scalable bandwidth** across all villages, GPs and Blocks with adequate redundancy

Phase Wise Implementation Overview



BharatNet – Phase I vs Phase II: At a Glance

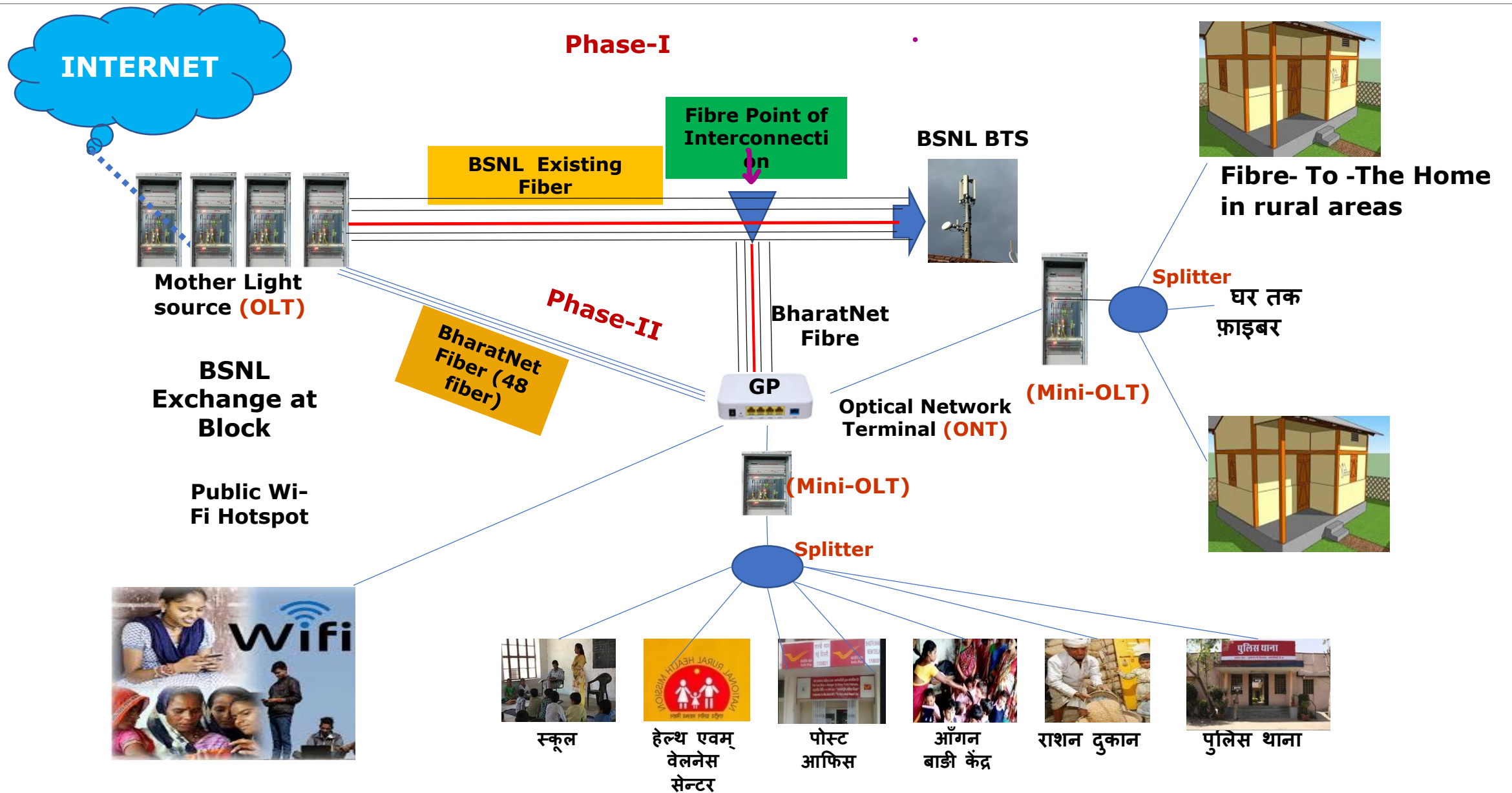
Phase I

- **BSNL fibre—FPOI—BharatNet** fibre connectivity (Block to GP)
- Implementation by **three CPSUs**
- Single media – **Underground fibre**
- **Limited focus** on O&M and Utilization
- Bandwidth – **100 Mbps per GP**

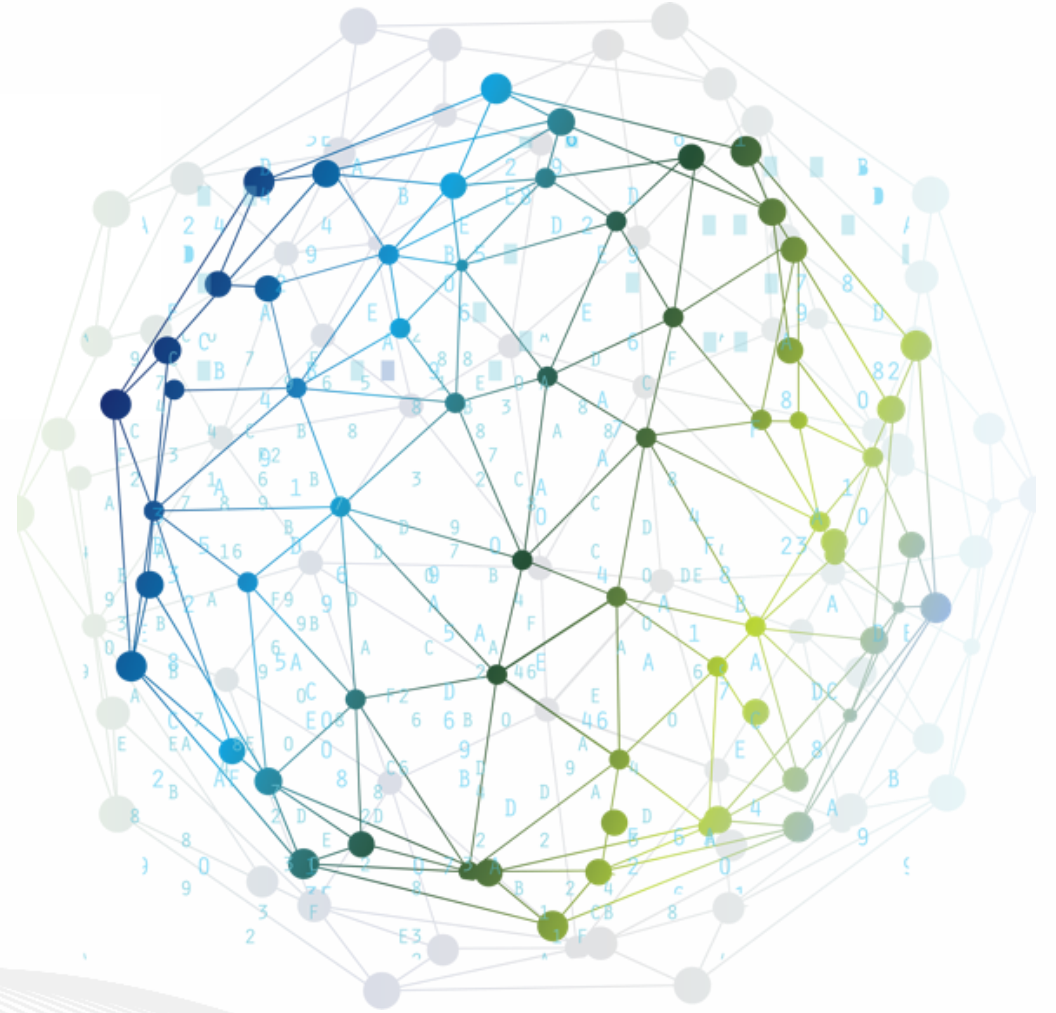
Phase II

- **Fresh fibre** from Block to GP
- Multiple implementation agencies - **(State, CPSU, Private)**
- Multi-medium- **U/G and aerial fibre, radio, satellite**
- O&M and Utilization part of the project
- Bandwidth – **1 Gbps per GP**

BharatNet Architecture



Way Forward **Public Private Partnership**



Objectives of the Tender

Public Private Partnership model is adopted to achieve following objectives / benefits

- To connect all the **villages and GPs** through optical fiber with adequate redundancy
- To upgrade the existing BharatNet network
- To provide **affordable broadband services** to citizens and institutions in rural and remote areas
- **Scalable bandwidth** across all villages, GPs and Blocks

Broad Construct of the PPP Model

As per the PPP Model, the **Private Sector Partner (PSP)** shall execute the scope of work under **Design, Build, Finance, Operate and Transfer (DBFOT)** model for a period of 30 to 35 years (if extended)

Design & Build



Based on **design outcomes** as per RFP requirements, the PSP shall

- **Plan and design the network**
- **Upgrade existing and build new network across 16 states**

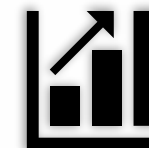
Finance & Operate



Based on its **internal cost and revenue estimates**, the PSP shall

- **Bear the cost of the project through mix of equity and debt**
- **Operate and maintain the network for next 30-35 years**

Utilize the Network



Based on **its financial plan**, the PSP shall

- **Build revenue sources to monetize fibre and electronics equipment**
- **Upgrade, replenish the network for next 30-35 years, then transfer**

Support from The Authority



Right of Way

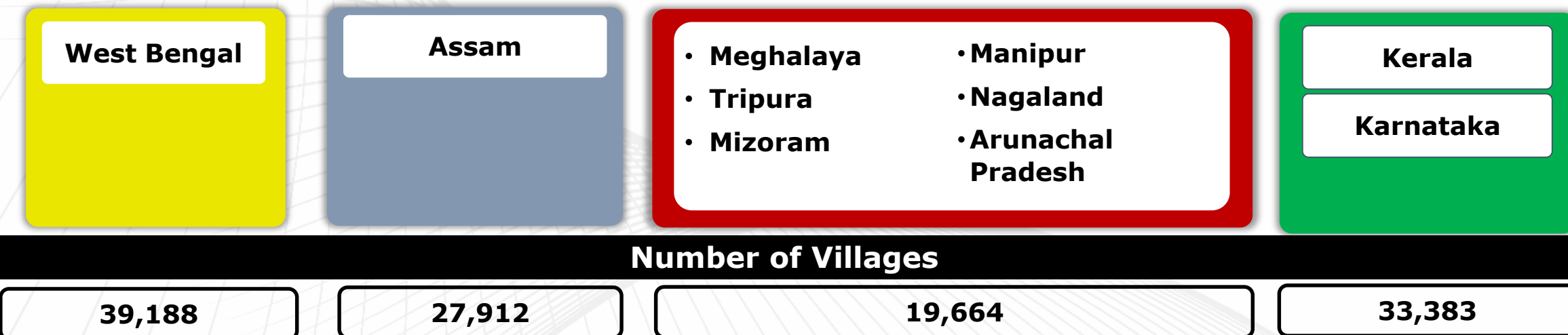
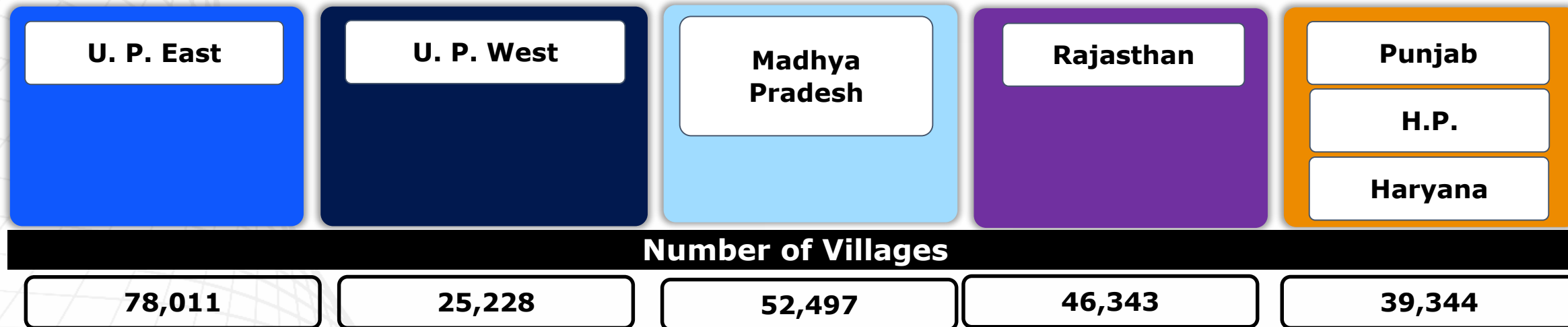


VGF Support



Existing BharatNet Network

PPP Packages across ~ 3.61 lakh villages



Salient Features of Tender (1/3)

S. No.	Particulars	Features
1	CONCESSION PERIOD	30 years extendable by another 5 years based on mutual agreement
2	ELIGIBILITY OF BIDDERS	Net worth (The technical capability of the bidder may be acquired by the bidder subsequently)
3	BID OPENING SEQUENCE	Technically qualified bids for all the packages to be opened together.
4	ANTI- MONOPOLY MEASURE	Maximum 4 (four) packages out of the total 8 (eight) packages (excluding North-East Region)

Salient Features of Tender (2/3)

S. No.	Particulars	Features
5	CONSTRUCTION PERIOD	18 months from the Appointed date (conclusion of conditions precedent including financial closure of the project)
6	SUPPORT BY GOVT.	Equity Support: 40% of the total Grant but shall in no case be greater than twice the Equity Balance Grant: Equal bi-annual instalments over a period of 5 (five) years after construction period
7	QUALITY OF SERVICE (QoS)	As per Telecom Regulatory Authority of India (TRAI) parameters and amendments, if any, from time to time
8	TARIFF FROM USERS	TRAI mandate, presently under forbearance
9	NON-DISCRIMINATORY ACCESS	The PSP is obliged to provide non-discriminatory access to other service providers

Salient Features of Tender (3/3)

S. No.	Particulars	Features
10	REVENUE SHARE ARRANGEMENT	<p>Revenue share from 11th year onwards</p> <ul style="list-style-type: none">• 4% share: 11th to 20th year• 6% share: 21st till end of concession period (i.e. 30 years) <p>In NER: 1% revenue share from 11th year till end of Concession Period</p>
11	PROCUREMENT CONDITIONS	<p>Compliance to Rule 144(xi) of the General Financial Rules 2017.</p>
12	THIRD PARTY AUDITOR (TPA)	<p>TPA will be engaged to verify and validate the work of PSP.</p>
13	TERMINATION PAYMENT	<p>Termination payment may arise on the account of default by the Authority, the Concessionaire or due to Force Majeure.</p>

Scope of Work during Development (Construction) Period

- Construction of **newly created network**
- **Upgradation of the existing network**
- Connecting the **unconnected GPs and villages on ring or linear based on population size**
- The PSP shall prioritize to connect the **villages and “to-be created” GPs**

Scope of Work during Operations Period

- **Operate and maintain** the Network and modify or repair for improvements to the same
- **Utilization of** the newly created and existing BharatNet network
- **Collection and appropriation** of revenue from the following:
 - ✓ lease of dark fibres
 - ✓ provision of bandwidth
 - ✓ sale of broadband connections,
 - ✓ or any other streams which it deems fit
- **Preventive and corrective maintenance** of the network
- **Utilization and monetization** of the entire network on a **non-discriminatory** basis

Role of Third Part Auditor (TPA)

- Validation of **network design**
- **Inspection** of the Project and report any **lapses, defects or deficiencies**
- **Acceptance testing** of the network
- **Mediation** in the event of any dispute
- Review and validate penalties during Construction and O&M period
- During handover period, validate transfer of relevant records, and reports

Eligibility and Qualification Criteria for Bidders

Financial Capacity

- **Minimum Net Worth / Available Capital for Investment (ACI)** (in case of Alternative Investment Fund (AIF) or Foreign Investment Fund) at the close of the preceding financial year
- Financial Capacity shall be 25% (twenty-five per cent) of the Estimated Project Cost

Package	States	Estimated Project Cost (INR Cr.)	Minimum Net Worth required (INR Cr.)
Package 1	Kerala, Karnataka	3,708.83	927.21
Package 2	Uttar Pradesh (East)	4,824.20	1206.05
Package 3	Uttar Pradesh (West)	1,754.49	438.62
Package 4	Rajasthan	4,068.27	1017.07
Package 5	Punjab, Himachal Pradesh & Haryana	4,315.08	1078.77
Package 6	West Bengal	2,128.76	532.19
Package 7	North-East Region	3,453.10	863.27
Package 8	Assam	1,301.04	325.26
Package 9	Madhya Pradesh	3,878.66	969.66

Technical Capability for Bidders or their Technical Partner

- Technical Partner shall not be required to be a Member of the Consortium, in case the Bidder is a Consortium or have any equity contribution
- Experience in **Optical Fibre Cable (Underground or Aerial)** and the **Active Network Elements** installed in the last 5 (five) years within India or abroad
- Technical Partner to be on board before signing of the Concession Agreement

Procurement of material across the Project

- All material shall conform to the technical specifications in their relevant **TEC / GR** duly updated from time to time
- Any new GR published against the material proposed to be supplied in future shall also be applicable
- Equivalent / higher standards issued internationally by ITU/IEEE, ETSI can be followed
- Endeavor to use **domestically manufactured products** to promote 'Atmanirbhar Bharat'

Selection of Bidder

- Qualified bids for all the RFPs shall be **opened together**
- **“Highest Bidder”** (H1) shall mean the Bidder who is offering the highest Premium, or seeking the lowest Grant
- **Maximum four (4) packages** (excluding package 7) to a Bidder
- **Highest Bidder in more than four (4) packages** - Bidder shall be awarded four (4) packages out of all the packages for which it is identified as the Highest Bidder (H1), such that the **Premium receipt of the Authority is maximized** or **the Grant payment by the Authority is minimized**
- In case four (4) packages are awarded to the Bidder (H1), the **Second Highest Bidder (H2)** for each of remaining packages shall be invited to match the H1 Bid. If H2 refuses to match the H1 Bid, the process would be repeated sequentially for remaining Bidders till one of them matches the bid of the H1 Bidder. In case no Bidder matches the H1 Bid, the package shall be excluded from the Bidding Process **and Authority may at its discretion conduct fresh round of bidding for such package**

Grant support during the project

Subsidy to Concessionaire by the Authority shall be equal to the **sum quoted by the Concessionaire in its bid**. Grant shall be **credited to the Escrow Account**

- Subject to a **maximum of [60%] of the Estimated Project Cost (EPC) for all packages and [100%] of the EPC** for North-East Region
- Grant to be disbursed in the form of subsidy by Government of India. Presently, **Goods and Service Tax (GST) is not applicable** on the payment of subsidy. However, in the event of any change, the applicable GST liability shall not be borne by the Concessionaire.
- Disbursed under a **bifurcated structure**:
 - ✓ **Equity Support** – during construction period, lowest of following:
 - **40% of Grant** amount quoted by the Concessionaire
 - **200% of the Equity** infused by the Concessionaire
 - ✓ **Balance Grant** – disbursed during first five years of operations period (biannual installments)

Premium and Revenue Share

- **Premium**
 - ✓ Payable by the Concessionaire to the Authority for **each year of the Concession Period**.
 - ✓ **Increment** in the Premium @ **1% every year**
 - ✓ Subject to a **ceiling of 50% of the Gross Revenue** in respective year
- **Revenue Share**
 - ✓ **Applicable for both** Grant and Premium Scenarios
 - ✓ **Predefined percentage** of Gross Revenue

Revenue share from 11th year onwards

All Packages

- 4% share: 11th to 20th year
- 6% share: 21st till end of concession period (i.e. 30 years)

NER package

- 1% revenue share from 11th year till end of Concession Period

Conditions Precedent for Authority / PMA and Concessionaire

Pre- Construction Period:

Concessionaire and Authority need to complete specific activities during Conditions Precedent Period to enable the Concessionaire to start the work at Appointed Date

- **For Concessionaire: 120 days** from the signing of CA (except for financial closure i.e. 150 days)
- **For Authority / PMA: 150 days** from the signing of CA

Concessionaire	Authority / Project Management Agency
Submission of route survey, network design (within 90 days)	Approval of Block-wise proposed fibre route
Procurement of all applicable permits	Facilitation of RoW
Delivery of 3 attested true copies of Financial Package, with year-wise revenue projections	Providing prior studies like technical design and any survey information
Submission of project execution/ operation and maintenance manual	Approval of project execution/ operation and maintenance manual
Providing details of the Specifications and Standards for major material / product	Review the details of the Specifications and Standards for major material / product
Provide Performance Security	Complete handing over of the existing infrastructure

Thank you

