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**GOVERNMENT OF KERALA**

**Abstract**

Electronics and Information Technology Department Kerala Fibre Optic Network selection of Consortium of M/s Bharat Electronics Limited (BEL)-implementing agency-Sanction accorded orders issued

**ELECTRONICS AND IT (B) DEPARTMENT**

**G.O.(Ms)No.14/2019/ITD** Dated,Thiruvananthapuram, 15/07/2019

Read 1 G.O (Ms)No. 10/2017/ITD dated 18/05/2017

2 G.O (Ms)No. 10/2018/ITD dated 10/05/2018

3 Letter No. KSITIL/MD/KFON/19/2218 dated 06.02.2019 from the Managing Director, Kerala State IT Infrastructure Limited

4 Minutes of the Departmental Purchase Committee meeting held on 07.06.2019

**ORDER**

As per Government Order (G.O) read as 1st paper above. Administrative Sanction was accorded for the implementation of Kerala Fibre Optic Network (KFON) project at an estimated cost of Rs. 1028.20 Crores (excluding taxes). Also, as per G.O read as 2nd paper above. Government have accorded sanction for the formation of a joint venture company named Kerala Fibre Optic Network Ltd (K FON Ltd) in the share holding pattern of 49:49:2 in favour of Kerala State Electricity Board Limited(KSEBL) ,Kerala State Information Technology Infrastructure Ltd(KSITIL) and Government of Kerala.

2. KSITIL had floated an open tender for the selection of an agency for the implementation of KFON (package A) and Reliable Communication & Data Acquisition Network (Package B) through the e-procurement platform of Government of Kerala on 14.06.2018. Package A was exclusively for KFON project and is funded by KIIFB, whereas, Package B is not directly related with KFON project and is exclusively for KSEBL, funded by KSEBL. There were three valid bidders viz; Consortium of M/s BEL, Consortium of M/s TCIL and Consortium of M/s A2Z Infra engineering Ltd.

3. The technical evaluation was completed on 21.12.2018 and was approved by the Expert Technical Committee constituted by the Government. All the three bidders were found technically qualified and subsequently, the financial bids were opened on 26.12.2018. The price quoted by the bidders exclusively for KFON project were as follows;

Sl No.	Description	Price Discovered (in INR Cr.) exclu :of taxes		
		L1	L2	L3
		Consortium of M/s BEL	Consortium of M/s TCIL	Consortium of M/s A2Z Infra engineering Ltd
1	CAPEX for KFON	1185.25	1280.12	2256.45
2	OPEX	363.43	449.87	597.09
3	Total (CAPEX+OPEX)	1548.68	1729.99	2853.54

4. Consortium of M/s Bharat Electronics Ltd emerged as the L1 bidder. After negotiation with L1 bidder, there was a reduction of Rs.17 Crores on CAPEX for Package A. Thus the revised cost for Package A (CAPEX + OPEX for 7 years) is INR 1531.68 crores.

5. When the AS was issued, the recurring operational charges was calculated only once, thus the AS amount was limited to Rs. 1028.20 Crore. But, the bid amount is arrived at by considering the operations & maintenance period of the project as 7 years, thereby resulting in variation from the AS amount.

6. The proposal submitted by Managing Director vide letter read as 3rd paper above for selection of the implementing agency was placed before the Departmental Purchase Committee held on 07.06.2019. The committee has examined the variation in the bid amount from the AS amount in detail and has approved the selection of Consortium of M/s Bharat Electronics Limited, the L1 bidder, as the agency for implementation of KFON project at a total cost of INR 1,531.67 Crores (excluding GST), which is rounded to the next integer value as INR 1,531.68 Crores (excluding GST) for more accuracy. This amount is excluding the expenditure for the establishment of SPV and its operations.

7. Government have examined the recommendation of the Managing Director, KSITIL and the decision taken by the Departmental Purchase Committee in detail and are pleased to approve the selection of Consortium of M/s Bharat Electronics Limited (BEL), the L1 bidder, as the agency for implementation of KFON project at a total cost of INR 1,531.68 Crores (excluding GST).

8. The Managing Director, KSITIL shall execute an agreement with Consortium of M/s Bharat Electronics Limited and obtain the Performance Bank Guarantee as per RFP conditions.

9.The Managing Director, KSITIL shall monitor the entire process and should submit status reports to Government in due-intervals.

(By order of the Governor)

**M. SIVASANKAR**  
**SECRETARY**

To:

The Chief Executive Officer, KIIFB, 2nd Floor, Felicity Square, MG Road, Statue, Thiruvananthapuram - 695001

The Managing Director, Kerala State IT Infrastructure Limited  
The Chairman and Managing Director, Kerala State Electricity Board, Pattom, Thiruvananthapuram

The Director, Kerala State IT Mission, Thiruvananthapuram

Consortium of M/s Bharat Electronics Limited (through the Managing Director, KSITIL)

Principal Accountant General(G&SSA),Kerala, Thiruvananthapuram.

Principal Accountant General(A&E),Kerala, Thiruvananthapuram.

Power Department

Finance Department

Store Purchase Department

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