



## **KERALA STATE ELECTRICITY BOARD LTD.**

(Incorporated under the Companies Act, 1956)

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### **ABSTRACT**

Kerala Fibre Optic Network (KFON) Project– Ratification of actions taken for KFON project- Entering MoU with KSITIL for Package-B project – Sanctioned – Orders issued.

### **CORPORATE OFFICE (IT&CR)**

B.O.(FTD) No. 246/2020 (CEIT&CR/ RITU/KFON/2019-20) Thiruvananthapuram dtd.30/03/2020

- Read:**
1. G.O (Ms) No.10/2017/ITD dated 18.05.2017.
  2. G.O (Ms) No.22/2017/ITD dated 13.10.2017.
  3. BO(FTD) No 3059/2017(D(T&SO)/T2/SO/Rel.commn/2017-18 dated 07.12.2017.
  4. B.O(DB) No. 276/2018(CE-IT/RITU/LMC/2014-15/KFON) dated 29.01.2018
  5. G.O.(Ms)No.10/2018/ITD dated.10.05.2018 Thiruvananthapuram
  6. BO(FTD) No. 395/2019(RITU/LMC/2014-15/K-FON/) TvpM dated 16.05.2019.
  7. G.O(Ms) No. 14/2019/ITD TvpM dated 15.07.2019.
  8. Letter No.NLDC-PSDF/KSEBL-141/2019-20/271 dated.23.12.2019 of Power System Operation Corporation Ltd, NLDC, PSDF Secretariat, New Delhi
  9. Note No. CE-IT&CR/RITU/KFON/2019-20/472 dated 16.03.2020 of the Chief Engineer (IT, CR & CAPs).(Agenda No.59/3/20).

### **ORDER**

Administrative sanction was accorded as per GO read 1<sup>st</sup> above for the implementation of Kerala Fibre Optic Network (KFON) project, the mega infrastructure project of Government of Kerala which aims to build a high speed, reliable and scalable fibre network across the state to provide connectivity to all Government and Educational institutions, leveraging the Transmission and Distribution infrastructure of KSEBL. Also as per G.O read as 2<sup>nd</sup> above, Government had granted an in-principal approval for the formation of a Joint Venture Company (Special Purpose Vehicle) with the association of KSITIL and KSEBL with equal equity participation for the implementation of KFON project. The SPV is to set up an access network to connect 30000+ government and educational institutions and to provide a bandwidth scalable from 10Mbps to 1Gbps on demand and to provide free internet to 20 Lakh targeted households by engaging service providers as regional partners.

KSEBL as per BO read as 4<sup>th</sup> above has accorded in principal approval for the formation of KFON Joint Venture Company. As per G.O read as 5<sup>th</sup> above, "KSEBL will engage the Joint Venture Company as the Bid Process Coordinator for implementing the PSDF (Power System Development Fund) funded OPGW fibre infrastructure to ensure timely completion of KFON with single point co-ordination" and KSITIL was accorded sanction to proceed with the tender formalities till the formation of JV company and entrusted the new JV company to continue with the tender process and implementation of the project. Kerala Fiber Optic Network Ltd. (KFON) was incorporated on 06.09.2018 and the Joint Venture agreement for KFON project was signed on 30.08.2019.

The Chief Engineer (Transmission-System Operation) had submitted detailed Project Report to PSDF for securing funding for the project, "Providing Reliable Communication and Data Acquisition System to all Substations of and above the level of 110KV in Kerala". Of the total submitted amount of Rs.185.34 Crores, Rs.147.52 Crores was accepted by PSDF and 50% of grant was approved for the accepted amount. The approval for the tender documents for package-B being funded from PSDF of Ministry of Power was accorded as per BO read as 3<sup>d</sup> above, subject to the condition that tender is to be invited after finalizing the terms with KFON project. Accordingly, as per G.O read as 7<sup>th</sup> above, 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. The Government approved the selection of Consortium of M/s. Bharat Electronics Ltd, the L1 bidder, as the agency for the implementation of KFON project.

The Chief Engineer(Transmission- System Operation) was authorized as per BO read as 5<sup>th</sup> above as the Single Point Contact for the drawal of OPGW under PSDF funded project and for formulating the modalities for bill measurement & invoice processing, coordinating the activities with M/s.BEL (System Integrator) for drawing the fiber and to take up the issue with MoP for availing the PSDF fund without any hindrance for the project as per the work order.

Regarding the matter of entering MoU with KSITIL for Package-B which enables KSITIL to raise invoices for the work to KSEBL, the Financial Adviser as per Note dated 20.08.2019 remarked that Board sanction shall be obtained if, KSITIL is entrusted for inviting the bid of KSEBL's own project. The matter was placed before the Full Time Directors on 10.10.2019 and as per the direction of FTD, the Chief Engineer (T-SO) was requested to see that the present method of implementation by KSITIL will not hamper the flow of PSDF funds for which an NOC or concurrence of MoP is to be obtained. The Executive Director, NLDC-POSOCO, Government of India, as per read 8<sup>th</sup> above, intimated that the proposal of implementation of Package-B through KSITIL signing an MoU between KSEBL and KSITIL is found in order and PSDF secretariat will disburse funds to KSEBL only as per PSDF guidelines. The Financial Adviser further pointed out that agreement between KSEBL and KSITIL to implement Package-B may be executed after obtaining Board approval authorizing KSITIL as bid processing agency for the subject project.

The draft MoU prepared by Chief Engineer (T-SO) incorporating the comments of Financial Adviser, LA & DEO and KSITIL along with remarks of Company Secretary KSEBL was placed before Full Time Directors as per note read as 9<sup>th</sup> above.

Having considered the matter in detail, the Full Time Directors in the meeting held on 20.03.2020:

Resolved to ratify the action of KSITIL for tendering Package-A & Package-B by utilizing KSEBL infrastructure and awarding the Package-B scheme under PSDF of MoP to M/s.BEL consortium, as per the GOs read as 1<sup>st</sup> & 7<sup>th</sup> above.

Further resolved to accord sanction for the following

1. To authorize the Chief Engineer (Transmission-System Operation) to execute the MoU with KSITIL for PSDF fund management of Package B of KFON project.
2. To approve the draft MoU prepared by the Chief Engineer (Transmission-System Operation) incorporating the comments of FA, LA & DEO & KSITIL for Package B of KFON project.
3. To incorporate the following payment conditions in the MoU as detailed below:
  - a) 50% of the material cost will be released on supply/delivery of 100% material (fibre & accessories) after Site Acceptance Test (Phase-I). Invoices shall be raised circle wise.
  - b) 90% of Installation cost and 40% of material cost will be released after Site Acceptance Test (Phase-II) after installation, Testing & commissioning of fibre and accessories for the entire milestone.
  - c) Balance 10% of material cost and installation cost will be released after the date on which the proposed solution becomes operational on successful conclusion of all acceptance tests to the satisfaction of KSEBL and the KSEBL has issued a Go-Live Certificate.
4. To authorize Chief Engineer (Transmission-System Operation) to formulate Bill Measurement/ Payment modalities for Package-B of KFON project in consultation with the Deputy Chief Engineer, Transmission Circle, Trivandrum.

Orders are issued accordingly.

By Order of the Full Time Directors,

Sd/-

Lekha. G

**Company Secretary (i/c)**

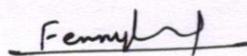
To

The Chief Engineer (Transmission – System Operation)  
The Chief Engineer (IT,CR&CAPs)  
The Deputy Chief Engineer, Transmission Circle, Trivandrum

Copy to:

1. All Chief Engineers.
2. All Deputy Chief Engineer, Transmission Circles/ System Operation Circles/ Transgrid.
3. The Company Secretary/ Financial Advisor/ CIA.
4. The TA to CMD/ Director - D,IT&HRM/ T,SO,Safety,CP&REES/G-E&SCM/G-C.
5. The PA to the Director(Finance)/Secretary(Administration)
6. Records/Stock File and Library/AB Section.

Forwarded / By Order

  
Assistant Engineer