

Request for Proposal (RFP) for Selection of Agency for conducting e-Auction of Spectrum in 1800MHz and 800MHz Bands

**No. 3-8/2012-Fin/Auction
Government of India, Ministry of Communications and IT,
Department of Telecommunications, Sanchar Bhawan, 20, Ashoka Road,
New Delhi**

(No. of pages: 33)

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Request for Proposal (RFP) for Selection of Agency for conducting e-Auction of Spectrum in 1800MHz and 800MHz Bands

1.1 Introduction

Bidders are invited to submit applications for selection of Agency to conduct the e-auction of spectrum in 22 Telecom Service Areas in India (Annexure I) in two parts viz. Technical (Annexure IIA) and Financial (Annexure IIB) as per enclosed proforma. Both technical and financial bids, sealed and complete in all respects, should be submitted in a third sealed cover, to Assistant Wireless Advisor (V), WPC Wing, Room No. 606, DoT, Sanchar Bhawan, 20 Ashoka Road, New Delhi-110 001 by 14.30 hrs. on 11.06.2012.

1.2 Policy Guidelines for Auction of Spectrum

1.2.1 The guidelines for auction of spectrum in 1800MHz and 800MHz Bands will be announced separately based on approval by the competent authority and after due consideration of TRAI recommendations. The TRAI recommendations on Auction of Spectrum dated 23.4.2012 are available on the TRAI website www.trai.gov.in.

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

1.3.1 The bidder is defined as 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 or a consortium of such companies.

A consortium will be a group of companies having a lead partner wherein each partner of the consortium is jointly and severally responsible/ liable for the bid and the performance of the contract and this liability has been formalised and secured through an MOU. The bid shall be submitted by the lead partner of the consortium as per the guidelines along with a copy of the MOU(s).

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 application fee of Rs 50,000/- in the form of Demand Draft drawn on any Scheduled Bank payable at Delhi in favour of "Pay and Accounts Officer, DOT (HQ)", New Delhi.

1.3.4 The bidder shall not have any equity directly in any telecom or internet service provider in India. Similarly, any telecom or internet service provider in India shall not have any direct equity 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.2.5 crores or equivalent on the date of application.

1.3.7 The bidder and its substantial equity holders in the bidder company (or the lead partner in case of consortium) shall have a combined net worth of at least Rs.10 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. The information should be duly authenticated under the law.

1.3.8 The bidder having conducted simultaneous, controlled, ascending e-auctions of spectrum or telecom licenses in the last five (5) years may be given preference.

1.4 Earnest Money Deposit (EMD)

1.4.1 An EMD of Rs. 10,00,000/- (Rs. Ten lakhs only) in the form of Bank Guarantee issued by a scheduled bank as per proforma in Annexure IV must be submitted along with the proposal.

1.4.2 Proposals not accompanied by EMD shall be considered as non-responsive and summarily rejected.

1.4.3 The EMD of the unsuccessful bidders would be returned to them at the earliest after expiry of the final bid validity and latest within one month of signing of the contract.

1.5 Scope for Work

1.5.1 To conduct auction of Spectrum blocks in 1800MHz and 800MHz bands as determined by Department of Telecommunications (DOT), Government of India,

Telecom Service area-wise (Annexure I), as per Guidelines placed at Annexure VII and as may be amended from time to time.

The functions of the selected agency shall be:

- (a) To design, structure and implement the overall process of e-auction on a controlled, simultaneous, ascending basis, including the e-aspects in consultation with Government of India (GOI), so that the following objectives 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.
- (c) To prepare bid documents for e-auction.
- (d) To develop an optimum auction plan, telecom service area wise, taking into account the availability of spectrum and the competition characteristics.
- (e) To create appropriate market interest and excitement both in India and abroad.
- (f) To advise and incorporate on the safeguards in the e-auction system to ensure the security of the entire process.
- (g) To conduct the e-auction of spectrum in 1800MHz and 800MHz Bands in 22 Telecom service areas as per decision of the Government of India.
- (h) To document the entire process of e-auction of spectrum.
- (i) 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, consortium and all its members would be jointly and severally responsible for conducting e-auction of spectrum in 1800MHz and 800MHz Bands.

1.6.3 The first simultaneous, ascending e-auction of spectrum in all the 22 telecom service areas will 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 Procedure for Submission of Bids

1.7.1 The bid shall be evaluated in 3 stages viz. eligibility, technical and financial. The bid therefore, shall comprise of the following documents:

(a) A covering letter in duplicate detailing the eligibility criteria as mentioned in Para 1.3 above along with supporting documents, application Fee as per para 1.3.3 and Earnest Money Deposit as specified in para 1.4.1 above.

(b) Technical bid in duplicate as per Annexure IIA of this RFP, wax sealed in a separate envelope and complete in all respects with supporting documents and clearly marked as "TECHNICAL BID" on the envelope.

(c) Financial bid in duplicate as per Annexure IIB of this RFP, wax sealed in a separate envelope and complete in all respects and clearly marked as "FINANCIAL BID" on the envelope.

All the above three documents shall be kept in a wax sealed cover. This cover shall bear the submission address, and clearly marked "Bid for Selection of Agency for e-auction of spectrum in 1800MHz and 800MHz Bands."

1.7.2 In its financial bid, the bidder shall quote its fee as a percentage of the difference between the winning bid and the reserve price. For the sake of clarity, the payment to be made to the successful bidder (Auctioneer) after completion of successful auction as acceptable to Government of India in 22 service areas shall be governed by the following formula.

$$\sum_{i=1}^{22} \text{Approved bid of selected bidder} \times (H_i - R_{Pi})$$

Where,

Approved bid means the percentage of the difference between the winning bid from auction and the reserve price for that service area,

H_i is the highest bid received and accepted by the Government of India (Winning Bid) of respective service area i ,

RP_i is the reserve price of the respective service area i , for the 1800MHz and the 800MHz auction separately,

22 is the number of service areas

This quoted fee covers the fee for conducting auctions in both 1800MHz and 800MHz bands.

1.8 Time Schedule and Clarification of RFP Documents, Pre-bid Conference and Submission of Offer

1.8.1 Any bidder interested in being selected to conduct the auctions should respond to this RFP as per Calender of Events enclosed at Annexure III to this RFP, to the Assistant Wireless Advisor (V), WPC Wing, Room No. 606, DoT, Sanchar Bhawan, 20 Ashoka Road, New Delhi-110 001.

1.8.2 A pre-bid conference will be held at 11.00 hrs on 22.5.2012 in Conference Room, 13th floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi with prospective bidders. Based on the feedback received, responses to the clarifications sought shall be sent to all prospective bidders. Should the DoT deem it necessary to amend the RFP, it shall do so following the procedure under para. 1.8.4 below.

1.8.3 Prospective bidders may request a clarification on any clause of the RFP documents up to 22.5.2012. Any request for clarification must be sent in writing, or by standard electronic means to the address indicated in the Calender of Events. The DoT will respond in writing, or by standard electronic means. Should the DoT deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure under para. 1.8.4 below.

1.8.4 At any time before the submission of bids, the DoT may amend the RFP by issuing an addendum in writing or by standard electronic means. The addendum shall be sent to all prospective bidders and will be binding on them. Prospective bidders shall acknowledge receipt of all amendments.

1.8.5 The bidders meeting the eligibility criteria shall be required to make presentation in turn before the Evaluation Committee from 10.30 am onwards on 15.06.2012 in the Committee Room, Second Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi as per the time assigned to them. The technical and financial bids of all those bidders who do not meet the eligibility criteria shall be returned in unopened condition. The successful

eligible bidders(s) shall be intimated through FAX and/or e-mail. Their name(s) shall also be posted on the DOT's website www.dot.gov.in.

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

1.9 Selection Criteria

1.9.1 All bidders shall submit documentary proof in support of meeting eligibility criteria as laid down in para 1.3. In the first stage of evaluation, a Proposal shall be rejected if it is found deficient as per the requirements of EMD/ Bid Processing Fee/ eligibility for responsiveness of the proposal. Only responsive proposals shall be further taken up for evaluation. Evaluation of the technical proposal will start first and at this stage the financial bid (proposal) will remain unopened. 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(s).

1.9.2 The weightage for different parameters in the technical bid will be as follows:

| | Weightage |
|--|-----------|
| A. Total value of the auctions conducted in the last three (3) years | 20% |
| B. Total value of e-auctions conducted in the last three (3) years | 10% |
| C. Total number of e-auctions conducted in the last three (3) years | 20% |
| D. Total value of telecom related auctions in the last three years | 20% |
| E. E-security aspects in design and conduct of the auction | 10% |
| F. Ownership of domain and e-auction related software | 10% |
| G. Design of auction process and development of bid documents | 10% |

1.9.3 Only those bidders scoring 70% and above on the criteria mentioned in para 1.9.2 above 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. The successful eligible and technically qualified bidder(s) shall be intimated through FAX and/or e-mail. Their name(s) shall also be posted on the DOT's website www.dot.gov.in.

1.9.4 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 $(\text{Lowest price} / \text{Quoted price}) \times 80\%$. The weighted scores of technical and financial criteria will be added up and the bidder with the highest combined score will be declared successful.

1.9.9 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.

1.10 Bid Validity

1.10.1 Bids must remain valid for 150 days after the submission date. Should the need arise, however, bidders may be requested to extend the validity period of their bids. Bidders who agree to such extension shall confirm that their financial bid remains unchanged.

1.11 Fees

1.11.1 The successful bidder would be paid the fee determined as per para 1.7.2 above. Payment shall be made for actual auctions conducted. No other payment shall be made for any charge or expenditure.

1.11.2 In case DOT identifies more number of blocks of spectrum in a particular service area subsequent to the completion of e-auction process of that area, the Government may ask the successful bidder (Auctioneer) to again conduct the e-auction of this area within the currency of the contract. This will be construed as new auction and the successful bidder shall be paid additionally in the manner as defined in para 1.7.2 above.

1.11.3 Drop dead fee: A lump sum drop dead fee of Rs. 2.5 lakhs per service area will be paid to the successful bidder (Auctioneer) in the following cases:

- a) the Government abandons the auction at any stage after award of the contract to the auctioneer in one or more or all of the service areas.
- b) the winning bid received is above the reserve price but not acceptable to the Government.
- c) the winning bidder in the auction of spectrum, after acceptance of the offer by the Government, fails to pay the bid amount arising from the auction process.

In case of option (a) above, the total drop dead fee will be limited to a maximum of Rs. 10 lakh only.

1.11.4 In case no bid is received in any service area or the highest bid received is not above the Reserve Price, no fee shall be payable to the Auctioneer.

1.12 Payment

1.12.1 The payment to the successful bidder (Auctioneer) as per the provisions of para 1.7.2 shall be made within a period of one (1) month from the date of receipt of payment from the winning bidder in the auction. It may be noted that the payment to the successful bidder will be made in Indian Rupees (INR) only.

1.13 DOT's Rights in respect of RFP/ Auction

1.13.1 DOT reserves the right to accept or reject any bid without assigning any reason.

1.13.2 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.

1.13.3 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.

1.13.4 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 arising out of aforesaid action.

1.13.5 The selected party will work under the directions and guidance of an Inter-Ministerial Committee set up by the Department of Telecommunications, Government of India.

1.14 Performance Bank Guarantee

1.14.1 The successful company shall submit a Performance Bank Guarantee (PBG) in the prescribed format for an amount of Rs. 50 lakhs before signing the contract/agreement for conducting the e-auction. On satisfactory completion of auction, this PBG shall be released. The proforma of PBG is enclosed at Annexure V.

1.15 Award of Contract

1.15.1 The Employer shall issue a Letter of Intent (LoI) to the selected Bidder.

1.15.2 The selected bidder will sign the contract after fulfilling all the formalities/pre-conditions mentioned in the Letter of Intent, within 7 days of issuance of the Letter of Intent.

1.15.3 The selected bidder shall commence the assignment on receipt of Lol and as per schedule given to him.

1.16 Security Conditions

1.16.1 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.

1.16.2 The company shall ensure that adequate safeguards are built into the e-auction system.

1.17 Force – Majeure

1.17.1 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.

1.18 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 appointed 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 modification or re-enactment thereof or 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.

1.19 Conflict of Interest

1.19.1 The auctioneer (including their personnel and sub-consultants) or any of their affiliates shall not receive any remuneration in connection with the assignment except as provided in the contract.

1.19.2 The auctioneer (including their personnel and sub-consultants) or any of their affiliates shall not engage in any activity with respect to their assignment that conflict with the interest under the contract, or that may place them in a position of being unable to carry out the auctions in the best interest of DoT

1.19.3 The auctioneer shall provide professional, objective and impartial advice at all times and hold the DoT's Interests paramount, and in providing such advice avoid conflicts with any other assignment and their own corporate interests.

1.19.4 Bidders are required to provide a declaration regarding any conflicting activities in the proforma as per Annexure VI.

1.20 Integrity Pact

1.20.1 An 'Integrity Pact' has to be signed by the selected bidder. Format of the Integrity Pact is placed at Annexure VII.

SERVICE AREAS (TELECOM CIRCLES/METROS) AND THE AREAS COVERED BY THEM FOR THE PURPOSE OF THIS AUCTION

| Sl.No | Name of Telecom Circle/Metro Service Area | Areas covered |
|--------------|--|---|
| 1. | 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. |
| 2. | Andhra Pradesh | Entire area falling within the State of Andhra Pradesh |
| 3. | Assam | Entire area falling within the State of Assam |
| 4. | 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. |
| 5. | Gujarat | Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli). |
| 6. | Haryana | Entire area falling within the State of Haryana except Pachkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges |
| 7. | Himachal Pradesh | Entire area falling within the State of Himachal Pradesh |
| 8. | Jammu & Kashmir | Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh, |
| 9. | Karnataka | Entire area falling within the State of Karnataka |
| 10. | Kerala | Entire area falling within the State of Kerala and Union territory of Lakshadweep and Minicoy. |
| 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. |
| 12. | Maharashtra | Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area. |
| 13. | North East | Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura. |
| 14. | Orissa | Entire area falling within the State of Orissa |
| 15. | Punjab | Entire area falling within the State of Punjab and Union territory of Chandigarh and Panchkula Town of Haryana |
| 16. | Rajasthan | Entire area falling within the State of Rajasthan |
| 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 |
| 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 Reorganisation Act, 2000 (No.29 of 2000) dated 25 th August, 2000. |
| 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. |
| 20. | Delhi | Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges |
| 21. | Kolkata | Local Areas served by Calcutta Telephones |

| | | |
|-----|--------|---|
| 22. | Mumbai | Local areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges |
|-----|--------|---|

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 Rule2(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

**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: _____
(Lead partner in case of consortium)

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./ E-mail

5. Certified copy of Certificate of Registration along with Articles of Association and
Memorandum of Understanding.
(Lead partner in case of consortium)

(Company Secretary to certify the copy)

6.(a) Details of substantial equity holders (duly authenticated under the law):
(Lead partner and all its members in case of consortium)

| S.No. | Name of Shareholder | Indian/ Foreign | Equity % age | Net worth |
|-------|---------------------|--------------------|-----------------|-----------|
| | | | | |
| | | | | |

7. Paid up capital (duly authenticated under the law):
(Lead partner in case of consortium)

8. Certified copy of Agreement between the Indian company and foreign partner(s) if any
(In case of consortium, copy(s) of the MOU(s) entered between the lead partner and all its members shall be enclosed).

9. Power of Attorney by Resolution of Board of Directors that the person signing the application is authorised signatory.

10. The bidder shall not have any equity directly in any telecom or internet service provider in India. Similarly, any telecom or internet service provider in India shall not have direct equity in the bidder. **(In case of consortium, the certificate shall be given by the lead member and each of its partners). (Such certificate to be given by the company Secretary).**

11. Please indicate details and strength of bidder Co. in respect of following:

- A. Total value of the auctions conducted in the last three (3) years
- B. Total value of e-auction conducted in the last three (3) years
- C. Total number of e-auctions conducted in the last three (3) years
- D. Total value of telecom related auctions in the last three years
- E. E-security aspects in design and conduct of the auction
- F. Ownership of domain and e-auction related software
(also indicate the year of ownership)
- G. Design of auction process and development of bid documents.

The above details shall be given year wise along with the name of clients in the form of self certification along with the details as applicable. (In case of consortium,

these details shall be submitted in respect of the lead partner and details of all its partners shall be enclosed).

Certificates/Undertaking:

A. I hereby certify that I have carefully read the terms and conditions of the Request for proposal document for selection of agency for conducting e-auction of spectrum in 1800MHz and 800MHz Bands. 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 application fee shall be summarily rejected.

C. I understand that application fee is non-refundable irrespective of any reason whatsoever.

D. I undertake to sign the contract, within the prescribed time notified to me failing which my application shall be taken as rejected and application fee forfeited.

E. 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.

F. 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:

Signature and name of the Authorised Signatory

Place:

(Company's Seal)

Proforma for Financial Bid

1. Name of the Bidder:
2. Address of the bidder:
3. Telephone No.(s):
4. Fax. No. :
5. E-mail Address:
6. Quoted Fee:

Percentage (%) Fee as per para 1.7.2 of RFP (Uniform % for all the 22 service areas):

Note – The quoted percentage fee shall be inclusive of all statutory levies and taxes as applicable on the date of submission of the bid. It may also be noted that no variation in fee shall be permitted during the currency of the contract.

Signature of the authorised signatory of the bidder company

For and on behalf of (Name of the Company)

Calender of Events

| Sl. No | Activity | Date |
|--------|--|---------------------------------|
| 1. | Last Date for queries by prospective bidders | 15-05-2012 |
| 2 | Pre-bid Conference | 11.00 hrs on 22.5.2012 |
| 3. | Submission of bid containing the covering letter, eligibility details, technical and financial offer | 14.30 hrs on 11.06.2012 |
| 4 | Opening of covering letter | 15.00 hrs on 11.06.2012 |
| 5. | Declaration of eligible bidders | 12.06.2012 |
| 6. | Presentation by the eligible bidders and opening of technical bids | 10.30 hrs onwards on 15.06.2012 |
| 7. | Finalisation and declaration of technically qualified bidders | 17.06.2012 |
| 8. | Opening of Financial bids of technically qualified bidders | 18.06.2012 |
| 9. | Finalisation of auctioneer | 20.06.2012 |

Queries may be addressed to:

Rajeev Prakash Director(F), DoT,
Room No. 1109,
Sanchar Bhavan,
New Delhi-110001

e-mail: spectrumauction-dot@nic.in

PROFORMA FOR EARNEST MONEY BANK GUARANTEE*

To
The President of India,
New Delhi.

1. Whereas _____
(hereinafter called "the proposer") desires to submit the proposal for Selection of agency for auction of Spectrum in 1800MHz and 800MHz Bands in compliance to DOT RFP Document No. 3-8/2012-Fin/Auction.

Know all men by these presents that we _____ Bank Branch _____ (hereinafter called "The Bank") are bound unto the President of India (hereinafter referred to as "the authority"), in the sum of Rs. 10 lakhs (Rupees ten lakhs only) for which payment will and truly be made to the said Authority, the Bank binds itself, its successors and assignees by these presents.

2. The conditions of this obligation are:

(i) If the proposer withdraws its proposal during the period of its validity specified by the Authority; or

(ii) If the proposer having been notified of the acceptance of its proposal by the authority, during the period of the proposal validity;

(a) fails or refuses to execute the contract form; if required; or

(b) fails or refuses to furnish the performance security in accordance with the Instructions to proposer;

We undertake to pay to the Authority, the above amount upon demand, without any demur and without the Authority having to substantiate its demand.

3. This guarantee will remain in force upto one year from the date of issue, further extendible by another six months on request and any demand in respect thereof should reach the Bank nor later than the date upto which this Bank Guarantee is valid.

4. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs.ten lakhs and our guarantee shall remain in force until.....from the

date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. all your rights under the guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated _____ day _____ for _____

(Name of the Bank)
Signature of the Bank

Witnesses:

1. _____

2. _____

* EMD Bank Guarantee should be valid for 45 days more than the bid validity asked for in para 1.10.

PROFORMA FOR PERFORMANCE BANK GUARANTEE

To
The President of India

In consideration of the President of India (hereinafter referred to as “the authority”) having agreed to select M/s. _____ of (Registered address) _____ (hereinafter called “the AUCTIONEER”) to conduct e-auction of spectrum in 1800MHz and 800MHz bands (hereinafter called ‘the e-auction’) as per Letter of Intent No. _____ dated _____ on the terms and conditions contained in the said LOI/contract, which inter-alia provides for production of a Bank guarantee to the extent of Rs.50 lakhs (Rupees fifty lakhs only) for the service by way of security for the due observance and performance of conducting successful e-auctions in the 22 service areas in the country as annexed along with. We _____ (indicate the name and address and other particulars of the Bank) hereinafter referred to as ‘the Bank’) at the request of the AUCTIONEER hereby irrevocably and unconditionally guarantee to the Authority that the AUCTIONEER shall render all necessary and efficient services which may be required to be rendered by the AUCTIONEER in connection with and/or for the performance of successful e-auctions as per the above said Contract and further guarantee that the service which shall be provided by the AUCTIONEER under the said LOI/contract, shall be actually performed in accordance clause _____ of terms and conditions of the contract to the satisfaction of the Authority.

2. We, the Bank, hereby undertake to pay the Authority an amount not exceeding Rs.50 lakhs (Rupees fifty lakhs only) only against any loss or damage caused to or suffered or would be caused to or suffered by the Authority by reason of any breach by the said AUCTIONEER for successful e-auction as per the above said contract including failure to extend the validity of this guarantee or to give a fresh guarantee in lieu of the existing one.

3. We, the Bank hereby, in pursuance of the terms of the said contract, absolutely, irrevocably and unconditionally guarantee as primary obligor and not merely as surety the payment of an amount of Rs.50 lakhs (Rupees fifty lakhs only) to the Authority to secure due and faithful performance by the AUCTIONEER of all his/their obligations for successful e-auction as per the above said contract.

4. We, the Bank hereby also undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Authority stating that the amount claimed is due by way of loss or damage caused or would be caused to or suffered by the Authority by reason of breach by the said AUCTIONEER of any of the terms or conditions contained in the said Contract or by reason of the AUCTIONEER's failure to perform any of its obligations for successful e-auction as per the above said Contract."

5. We, the Bank, hereby agree that the decision of the Authority as to whether the AUCTIONEER has failed to or neglected to perform or discharge his duties and obligations for successful e-auctions as per the above said Contract as aforesaid and/or whether the service is free from deficiencies and defects and is in accordance with or not e-auction as per the above said Contract and as to the amount payable to the Authority by the Bank hereunder shall be final and binding on the Bank.

6. WE, THE BANK, DO HEREBY DECLARE AND AGREE that:

(a) the Guarantee herein contained shall remain in full force and effect for a period of 15 months from the date hereof and that it shall continue to be enforceable till all the dues of the Authority and by virtue of the said contract have been fully paid and its claims satisfied or discharged or till Authority satisfied that the e-auctions as per the above said Contract have been fully and properly carried out by the said AUCTIONEER and accordingly discharged this guarantee.

(b) the Authority shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance of any obligations by the said AUCTIONEER from time to time or to postpone for any time or from time to time any of the powers exercisable by the authority against the said AUCTIONEER and to forbear or to enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any variation or extension being granted to the said AUCTIONEER or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said AUCTIONEER or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.

(c) any claim which we have against the AUCTIONEER shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the Authority exercise any legal

right or remedy of any kind in respect of any such payment or performance so long as the obligations of us hereunder remains owing and outstanding.

(d) This Guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the AUCTIONEER.

7. We the BANK undertake not to revoke this Guarantee during its currency except with the previous consent of the authority in writing.

8. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs.50 lakhs (Rupees fifty lakhs only) and our Guarantee shall remain in force until 15 months from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. _____ all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated: _____ day _____ for _____

(Name of the Bank)

Witness:

1. _____

2. _____

**INFORMATION REGARDING ANY CONFLICTING ACTIVITIES AND DECLARATION
THEREOF**

Are there any activities carried out by your firm or group company or any member of the consortium which are of conflicting nature as mentioned in para 1.17?

If yes, please furnish details of any such activities.

If no, please certify,

We hereby declare that our firm, our associate / group firm or any of the member of the consortium are not engaged in any such activities which can be termed as the 'conflicting activities' under this RFP. We also acknowledge that in case of misrepresentation of the information, our proposal/ contract shall be cancelled/ terminated by the Employer which shall be binding on us.

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Firm:

Address:

PRE-CONTRACT INTEGRITY PACT

General

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on _____ day of the month of _____ 2012, between, on one hand, the President of India acting through Shri _____, Designation of the officer, Ministry/Department, Government of India (hereinafter called the "BUYER", which expression shall mean and include, unless the context otherwise required, his successors in office and assigns) of the First Part and M/s. _____ represented by Shri _____, Chief Executive Officer (hereinafter called the "BIDDER/Seller" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BUYER proposes to procure (Name of the Stores/Equipment/Item/ services) and the BIDDER/Seller is willing to offer/has offered the stores/ services and

WHEREAS the BIDDER is a private company/public company/Government undertaking/partnership/registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is a Ministry/ Department of the Government of India/PSU performing its functions on behalf of the President of India.

NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to, during and subsequent to the currency of the contract to be entered into with a view to :-

Enabling the BUYER to obtain the desired said stores/equipment at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption, in any form, by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this integrity Pact and agree as follows:

Commitments of the BUYER

1.1 The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

1.2 The BUYER will, during the pre-contract stage, treat all BIDDERS alike, and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

1.3 All the officials of the BUYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be corrected by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

Commitments of BIDDERS

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-

3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.

3.2 The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacturer/integrator/authorised entity of the software.

3.3 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with the contract and the services agreed upon for such payments.

3.4 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

3.5 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

3.6 The BIDDER shall not use improperly, for purposes of competition or personal gain, or pass on to other, any information provided by the BUYER as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

3.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

3.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the BUYER, or alternatively, if any relative of an officer of the BUYER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.

The term 'relative' for this purpose would be as defined in Section 6 of the Companies Act 1956.

3.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER.

4. Previous Transgression

4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India of any Government Department in India that could justify BIDDER's exclusion from the tender process.

4.2 The BIDDER agrees that if it makes incorrect statement on this subject BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

5. Earnest Money (Security Deposit)

5.1 The BIDDER shall deposit an amount _____(as specified in RFP) as Earnest Money/Security Deposit, with the BUYER through a confirmed guarantee by an Indian Nationalised Bank, promising payment of the guaranteed sum to the BUYER on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand to payment by the BUYER shall be treated as conclusive proof of payment.

5.3 In case of the successful BIDDER a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provision of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

6. Sanctions for Violations

6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one of the following actions, wherever required:-

(i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.

(ii) The Earnest Money Deposit (in pre-contract stage) and/or Security Deposit/Performance Bond (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.

(iii) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.

(iv) To recover all sums already paid by the BUYER, and in case of an Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the other stores, such outstanding payment could also be utilised to recover the aforesaid sum and interest.

(v) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER, along with interest.

(vi) To cancel all or any other Contract with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.

(vii) To debar the BIDDER from participating in future bidding processes of the Government of India for a minimum period of five years, which may be further extended at the discretion of the BUYER.

(viii) To recover all sums paid in violation of this PACT by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.

(ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with the BIDDER, the same shall not be opened.

(x) Forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

6.2 The BUYER will be entitled to take all or any of the actions mentioned at para 6.1(i) to (x) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of

an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

6.3 The decision of the BUYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes of this Pact.

7. Fall Clause

7.1 The BIDDER undertakes that it has not supplied/is not supplying similar product/systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems was supplied by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER, if the contract has already been concluded.

8. Independent Monitors

8.1 The BUYER has appointed independent Monitors (hereinafter referred to as Monitors) for this Pact in consultation with the Central Vigilance Commission (Names and Addresses of the Monitors to be given).

8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.

8.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.

8.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/procurement, including minutes of meetings.

8.5 As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the BUYER.

8.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.

8.7 The BUYER will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

8.8 The Monitor will submit a written report to the designated Authority of BUYER/Secretary in the Department/ within 8 to 10 weeks from the date of reference or intimation to him by the BUYER/BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

9. Facilitation of Investigation

In case of any allegations of violation of any provisions of this Pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the BOOKs of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

10. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER.

11. Other Legal Actions

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

12. Validity

12.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the BUYER and the BIDDER/Seller, including warranty period, whichever is later. In case BIDDER is unsuccessful, this integrity Pact shall expire after six months from the date of the signing of the contract.

12.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

13. The parties hereby sign this integrity Pact at _____ on _____

BUYER

BIDDER

Name of the Officer

CHIEF EXECUTIVE OFFICER

Designation

Deptt./MINISTRY/PSU

Witness

Witness

1. _____

1. _____

2. _____

2. _____