

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

18.7.2012

Amendment No. 4 to the Request for Proposal (RFP) for Selection of Agency for conducting e-Auction of Spectrum in 1800MHz and 800MHz Bands

Following changes have been made in the Request for Proposal (RFP) for selection of agency to conduct e-auction of spectrum in 22 Telecom Service Areas in India:

1. Annexure III: The Calender of Events may be read as follows:

Sl. No.	Activity	Date
1.	Last date for submission of bids containing the eligibility requirements, technical and financial offer	14.30 hrs on 30.7.2012
2.	Opening of bids containing eligibility requirements in Spectrum Room 6th floor, Sanchar Bhavan, Ashoka Road, New Delhi	15.00 hrs on 30.7.2012
3.	Declaration of eligible bidders	30.7.2012
4.	Opening of Technical Bids in Spectrum Room 6th floor, Sanchar Bhavan, Ashoka Road, New Delhi	10.30 hrs on 31.7.2012
5.	Presentation by the eligible bidders in Spectrum Room, 6th floor, Sanchar Bhavan, Ashoka Road, New Delhi	11.30 hrs onwards on 2.8.2012 & 3.8.2012
6.	Opening of Financial bids of technically qualified bidders in Spectrum Room, 6th floor, Sanchar Bhavan, Ashoka Road, New Delhi	10.30 hrs on 6.8.2012
7.	Finalisation of Auctioneer	6.8.2012

2. Para 1.1: The last date for submission of bids may be read as 14.30 hrs on 30.7.2012.

3. Para 1.8.5: The eligible bidders will be required to make a presentation before the Evaluation Committee from 11.30 hrs onwards on 2.8.2012 and 3.8.2012.

4. Para 1.7.2 is replaced with the following:

1.7.2 The fee payable to the successful bidder shall consist of two components: a fixed Component and a variable Component.

- The fixed component shall be a total of Rs. 5 crores for both 1800 MHz and 800 MHz bands combined and pro-rated for the number of service areas where the auction is conducted.
- 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:

Rs 5 cr. (or pro rated fee of Rs.1136363.63 per service area)

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

Where,

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

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

RPi 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 in each auction.

The fee quoted by the bidder covers only the variable component for conducting auctions in both 1800MHz and 800MHz bands during the contract period. A single quote should be made for both the auctions.

5. Para 1.11.2 is replaced with the following:

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 in this area within the currency of the contract. This will be construed as new auction and the successful bidder shall be paid only the variable component additionally in the manner as defined in para 1.7.2 above.

6. Para 1.11.3 is replaced with the following:

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) and no other fee will be payable 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 equal to or 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.

7. Para 1.11.4 is replaced with the following:

1.11.4 In case no bid is received in any service area, neither fixed nor variable fee shall be payable for that service area to the Auctioneer.

8. In Annexure II-B (Proforma for financial bid) the following sentence is added at the end of the note: A single quote should be made for both the auctions.

9. The other terms and conditions remain unchanged.


(Rajeev Prakash)
Director(TF)