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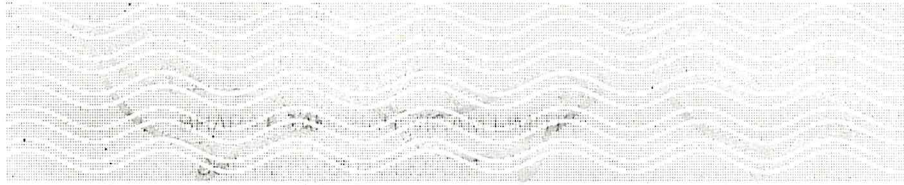
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Second Party	:	USOF DEPT OF TELECOM
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Agreement For Support from USO Fund For Operation and Maintenance, First Line Maintenance of BharatNet Phase-I Network

Between

Universal Service Obligation Fund, Department of Telecommunications AND Bharat Sanchar Nigam Limited

**ASHI KAPOOR**  
 उच्च पंचायत (तक-नेट-१)  
 डी. एडमिनिस्ट्रेटर (T-II) U.S.O.F.  
 प्रशासक विभाग, भारत सरकार  
 Government of India  
 New Delhi

**MUKESH MANDAL**  
 29/08/2022  
 GM (Bharat Net-II)  
 BSNL Corporate Office  
 New Delhi

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BHARAT SANCHAR NIGAM LIMITED BHARAT SANCHAR NIGAM LIMITED BHARAT SANCHAR NIGAM LIMITED BHARAT SANCHAR NIGAM LIMITED BHARAT SANCHAR NIGAM LIMITED



**Agreement**

**For**

**Support from USO Fund**

**For**

**Operation and Maintenance, First Line Maintenance of  
BharatNet Phase-I Network**

**Under**

**Universal Service Obligation Fund  
The Indian Telegraph (Amendment) Rules, 2012**

**No.- 30/13/2021/USOF/BBNL Dated: 29/08/2022**

**TOTAL PAGES- 21**

**GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS  
DEPARTMENT OF TELECOMMUNICATIONS  
OFFICE OF THE ADMINISTRATOR (USOF)  
20, ASHOKA ROAD, NEW DELHI-110001, INDIA**



(आशी कपूर)  
(ASHI KAPOOR)  
उप प्रशासक (सफ्तो-II)  
Dy. Administrator (T-II) U.S.O.F.  
सूचना विभाग, भारत सरकार  
Deptt. of Telecomm. Govt. of India  
नई दिल्ली/नए Delhi



MUKESH MANDAL  
GM (Bharat Net-II)  
BSNL Corporate Office  
New Delhi

# SECTION-I AGREEMENT

No. 30/13/2021/USOF/BBNL  
Government of India  
Department of Telecommunications  
Office of the Administrator, USO Fund  
20, Ashoka Road, Sanchar Bhawan, New Delhi – 110001

## AGREEMENT

The Agreement is made and entered into on the 29<sup>th</sup> day of August, 2022

### Between

The President of India, acting through the Administrator, Universal Service Obligation Fund (USOF) who for the purpose of this Agreement is being represented by Shri Ashi Kapoor, Deputy Administrator (T-II), Universal Service Obligation Fund, Department of Telecommunications under Government of India and having its office at 2<sup>nd</sup> Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110001, (hereinafter referred to as the “Administrator”, which expression, unless repugnant to the context or meaning thereof, shall include its successors, administrators or assignees;) of the First Part

### AND

M/s Bharat Sanchar Nigam Limited, a company registered under the Companies Act 1956, having its registered office at Bharat Sanchar Bhawan, H.C. Mathur Lane, New Delhi-110 001, acting through Shri Mukesh Mandal, GM (BN-II), BSNL Corporate Office, Bharat Sanchar Nigam Limited, the Authorized Signatory (hereinafter called **BSNL** which expression, unless repugnant to the context or meaning thereof, shall include its successors, administrators or permitted assignees) of the Second Part.

The ‘Administrator’ and ‘BSNL’ shall hereinafter individually be referred as ‘Party’ and jointly as ‘Parties’.

### NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

In consideration of the mutual covenants set out in this Agreement, the parties hereby agree as follows:

1.1 This Agreement is divided into five Sections. Apart from the present Section-I, other Sections are as under:

- II. General Conditions
- III. Operating Conditions
- IV. Financial Conditions
- V. Definitions

All the Sections and Annexures together form the Agreement.



1.2. **No Partnership** – Nothing in this Agreement shall be construed to constitute a partnership or agency between the Parties and BSNL shall not make any assurance, promise or covenant nor shall hold itself out as competent to do so, on behalf of the Administrator nor shall pledge the credit of the Administrator for any transaction in relation to this Agreement.

1.3 **No Employment** - Nothing in this Agreement shall constitute an offer or assurance of employment of any nature whatsoever to BSNL or any person employed by or under him for this Agreement.

1.4. **Indemnity**–BSNL shall indemnify and at all times keep the Administrator indemnified and harmless against any direct loss to it or any claims by any third person, for any personal injury to anybody or loss to property, movable or immovable, caused by or attributable to any act or omission of BSNL or any of his officer, employee, agent or professional etc. while performing or purporting to perform this Agreement.

1.5. **Waiver** – Neither the failure of either Party to insist on any occasion upon the performance of the provisions of this Agreement nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right thereunder. Waiver by either Party of any default by the other Party in the observance or performance of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent default or of other provisions of or obligations under this Agreement nor shall affect the validity or enforceability of this Agreement in any manner.

1.6. **Severability of Terms** – If for any reason whatsoever, any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner.


IN WITNESS WHEREOF, the parties hereto set their hand on the Agreement through their duly authorized representatives, at New Delhi on the day, month & year first above written.

(आशी कपूर)  
(ASHI KAPOOR)  
उप प्रशासक (सकनीय-II)  
Dy. Administrator (T-II) U.S.O.F.  
दूरसंचार विभाग, भारत सरकार  
Dept. of Telecomm. Govt. of India  
नई दिल्ली/ New Delhi


MUKESH MANDAL  
GM (Bharat Net-II)  
BSNL Corporate Office  
New Delhi



Signed for and on behalf of President of India

  
29/08/22  
By Shri Ashi Kapoor,  
Deputy Administrator (T-II)  
Universal Service Obligation Fund,  
Department of Telecommunication

Signed on behalf of Bharat Sanchar Nigam Limited by, authorized signatory BSNL

  
29/8/2022  
By Shri Mukesh Mandal,  
GM (BN-II), BSNL Corporate Office,  
Bharat Sanchar Nigam Limited

In the presence of:

Witnesses:

1.   
29/08/2022

Signature:

प्रधान महाप्रबंधक (भारत नेट-1)  
Principal General Manager(BN-I)  
Bharat Sanchar Nigam Ltd  
भारत संचार निगम लि. निगमित कार्यालय, नई दिल्ली  
B.S.N.L. Corporate Office, New Delhi

2.   
29/08/2022

Signature:

(राजेश गुप्ता)  
(RAJESH GUPTA)  
प्रधान महाप्रबंधक (सक. एवं प्रशा.) यु. एस. ओ. एफ.  
Principal General Manager (Ch. & Admn.) USOF  
Department of Telecommunication, भारत सरकार  
Sanchar Bhawan, Ashoka Road, New Delhi - 110001  
Dept. of Telecom, Govt. of India

# SECTION-II

## GENERAL CONDITIONS

**2.0** Digital Communications Commission (DCC) has approved the handover of Operation and Maintenance (O&M), First Line Maintenance (FLM) and Utilization of BharatNet (except State-led model under phase-II) to BSNL from 01.04.2022 and authorized BSNL to award work to a professional agency for SLA based O&M and FLM of BharatNet phase-I network through an open and competitive bidding process vide letter No: 30/13/2021/USOF/BBNL dated 27.05.2022. This Agreement, signed by BSNL with the Administrator USOF, shall be subject to the terms and conditions defined below.

### 2.1 Scope of the Agreement

2.1.1 BSNL shall operate & maintain the OFC network of BharatNet Phase-I and its associated infrastructure through professional agency (ies) (Fiber Maintenance Agency (ies) or FMA) on Service Level Agreement (SLA) basis as per the tender finalized by BSNL for comprehensive AMC of BharatNet Phase-I network.

2.1.2 BSNL shall be executing and supervising agency for Operation and Maintenance of BharatNet Network of about 5 lakh RKM OFC route (about 3.10 lakh RKM incremental OFC and about 1.91 lakh RKM of leased OFC) and its associated equipment through its vendors finalized through open and competitive bidding process.

2.1.3 BSNL shall provide required number of fibres on lease till the Fiber Point of Interconnect (FPOI) subject to availability for connecting the Gram Panchayats (GPs) on GPON technology. The number of fibres to be leased shall be decided on need basis from time to time.

2.1.4 BSNL shall provide the space and infrastructure on lease for installation and O&M of BharatNet Optical Line Terminal (OLT) and associated equipments at the locations identified for BharatNet project.

2.1.5 USOF shall make payment to BSNL as per Financial Conditions of the Agreement.

2.1.6 The leased fibre replaced by FMA under Scheduled Planned Maintenance of network, One time Planned Project / Maintenance works and replacement of damaged OFC or fiber replacement done under any other USOF funded project/scheme shall become the asset of USOF and the length of fibre replaced shall be deducted for payment from the Fibre Leasing charges. BSNL shall keep, every details of the same, Circle wise and make it part of the relevant invoices for payments on quarterly basis.

### 2.2 Validity of the Agreement and its extension

2.2.1 The Agreement in respect of O&M, FLM of OFC network as defined in clause 2.1.1 shall be valid for a period of **one year from 1<sup>st</sup> July 2022** and it is further extendable for one more year with mutual consent of both the parties.

2.2.2 The agreement in respect of Leasing of BSNL's fiber and space & infrastructure as defined vide clauses 2.1.3 and 2.1.4 shall remain valid for a period of two years commencing from **1<sup>st</sup> July 2022**. Extension if any of this shall be done either on existing terms or on mutually agreed terms.



### 2.3 Modifications in the Terms and Conditions of Agreement

The agreement can be modified at any time with mutual consent of both the parties.

### 2.4 Requirement to furnish information

BSNL shall furnish to the Administrator, on demand, such documents, accounts, estimates, returns, reports or other information as may be called for by the Administrator.

### 2.5 Suspensions, Revocation or Termination of Agreement

2.5.1 The Administrator reserves the right to revoke the Agreement at any time in public interest by giving a notice of 60 days counted from the date of issue of such notice.

2.5.2 Wherever considered appropriate, Administrator may conduct an inquiry to determine whether there has been any breach in compliance of the terms and conditions of the Agreement and during such inquiry BSNL shall extend all reasonable facilities and shall endeavor to remove the hindrance of every type.

2.5.3 It shall be the responsibility of BSNL to maintain the Quality of Service as described in this Agreement, during the period of notice for termination of Agreement.

### 2.6 Disputes Settlement

2.6.1 Except otherwise provided in this Agreement in the event of any question or interpretation of any clause, dispute or difference or to any other claim, right, matter or thing whatsoever in any way arising out or relating to this agreement whether arose during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be first referred for conciliation between BSNL and Administrator. If the conciliation does not lead to settlement of the dispute within 60 days, the matter shall be, referred thereafter to Secretary Telecom or his nominee not below the rank of Additional Secretary for mediation. Further, if the conciliation/mediation efforts is not able to settle any dispute or difference relating the interpretation and application of the provisions of this agreement made between the parties a mechanism namely Administrative Mechanism for Resolution of Central Public Sector Enterprises (CPSEs) and Government Department(s)/ Organization(s) Disputes (AMRCD) shall be taken up by either party for its resolution through AMRCD in terms of the procedure settled or prescribed under the Official Memorandum dated May 22, 2018 issued by Department of Public Enterprises, Government of India.

2.6.2 Notwithstanding any dispute or claim of the pendency of any arbitration/ conciliation/ mediation or other proceedings, BSNL shall continue to provide the service for the whole duration of the Agreement.



(अशी कपूर)  
(ASHI KAPOOR)  
उप प्रशासक (सफनीयता-II)  
Dr. Administrator (T-II) U.S.O.F.  
दूरसंचार विभाग, भारत सरकार  
Dept. of Telecom, Govt. of India  
New Delhi



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GM (Bharat Net-II)  
BSNL Corporate Office  
New Delhi



## 2.7 Force-Majeure

2.7.1 If at any time, during the continuance of the Agreement, 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, terrorism, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts (not limited to the establishments or facilities of BSNL), 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 10 Calendar days from the date of occurrence thereof, neither party shall, by reason of such event, be entitled to terminate the Agreement, nor shall either party have any such claims for damages against the other, in respect of such non-performance or delay in performance. Provided SERVICE under the Agreement shall be resumed as soon as practicable, after such EVENT comes to an end or ceases to exist.

2.7.2 The decision of the Administrator 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, binding and conclusive.

## 2.8 Set off Clause

In the event any sum of money or claim becomes recoverable from or payable by BSNL to the Administrator either against the Agreement or otherwise in any manner, such money or claim can be (without restricting any right of set off for counter claim given or employed by law) deducted or adjusted against any amount or sum of money then due or which at any time thereafter may become due to BSNL under this Agreement or any other Agreement or Contract between the Administrator and BSNL provided any such deduction or adjustment will be made only after giving prior notice by the Administrator to CMD BSNL.

## 2.9 Other Obligations

2.9.1 BSNL shall be bound by the terms and conditions of the Agreement as well as by such orders/directions/regulations/ guidelines issued by DoT/TRAI from time to time and instructions as issued by the Administrator.

2.9.2 The provisions of the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933 as amended or replaced, the Rules made and orders passed under these statutes, so far as applicable, shall be binding on BSNL.

2.9.3 BSNL represents and warrants to the Administrator that

- i) It is duly organized and validly incorporated under the laws of India, and has full power and authority to execute and perform its obligations under this Agreement;
- ii) It has taken all necessary corporate and other actions under applicable laws for execution and delivery of this agreement and to validly exercise its rights and perform its obligations under this agreement.
- iii) It has the financial standing and capacity to undertake and perform the obligations in accordance with this Agreement;



- iv) This Agreement constitutes its legally valid and binding obligation, enforceable against it in accordance with the terms hereof, and its obligations under this Agreement will be legally valid, binding and enforceable obligations under it in accordance with the terms hereof;
- v) The execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by, any of the terms of its memorandum and Articles of Association or any Applicable law or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected.



(श्री कापूर)  
(SHRI KAPOOR)  
उप संचालक (सह-नीवनी-II)  
Dr. Administrator (T-II) U.S.O.F.  
दूरसंचार विभाग, भारत सरकार  
Dept. of Telecom, GOVT. of India  
नई दिल्ली / New Delhi



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GM (Bharat Net-II)  
BSNL Corporate Office  
New Delhi

# SECTION-III

## OPERATING CONDITIONS

**3.0** The terms and conditions of the, NLDO or BSO or CMTS or UASL or UL License Agreement and any future evolution of licenses from time to time, as applicable, shall prevail and shall be binding *mutatis mutandis*. The same shall also be applicable in case of migration to or award of new license in lieu of the NLDO/BSO/ CMTS/ UASL/UL license.

**3.1** BSNL shall be responsible for O&M, FLM of BharatNet OFC network and necessary equipments and systems, through professional agency (ies) under BharatNet Phase-I covered in this Agreement.


### **3.2 Broad Scope of work**

- i) Preventive and Corrective Maintenance of OFC routes and GPON equipment through SLA based award of work to professional agency.
- ii) One-time Planned Project / Maintenance works and replacement of damaged OFC.
- iii) Scheduled Planned Maintenance of network.
- iv) First Line Maintenance of GPON Equipment and provision of spares.
- v) One time repair of faulty GPs.
- vi) Providing Space and infrastructure for OLTs installed in BSNL exchanges.
- vii) Leasing of BSNL fibers till the fibre point of interconnect (FPOI) for connecting the Gram Panchayats (GPs) on GPON technology.

### **3.3 Fiber Leasing**

**3.3.1** BSNL shall provide the dark fiber from its Underground Optical Fiber and /or Aerial Optical Fiber as the case may be at the rate of Rs.18,000/- per fibre Km per Annum excluding taxes for first fibre. Taxes as applicable will be paid. In case, multiple fibers are leased in the same cable, the additional fibers shall be considered for payment at the rate of Rs. 15,000 per fibre per Km per Annum. BSNL shall provide discount @ Rs. 10,000/- per OFC route Km (RKM) in lieu of O&M of the same being reimbursed by USOF.

**3.3.2** The leased fibre replaced by FMA under Scheduled Planned Maintenance of network, One time Planned Project / Maintenance works and replacement of damaged OFC or fiber replacement done under any other USOF funded project/scheme, shall become the asset of USOF and the length of fibre replaced shall be deducted for payment from the Fibre Leasing charges. BSNL shall keep, every details of the same, Circle wise and make it part of the relevant invoices for payments on quarterly basis.

  
(अशु कपूर)  
(ASHU KAPOOR)  
उप संचालक (T-II) U.S.O.F.  
By. Administrator (T-II) U.S.O.F.  
प्रमुख निमित्त, नई दिल्ली  
Deptt. of Telecom, Govt. of India  
अ नई दिल्ली

  
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### 3.4 Space and Infrastructure

The charges for space and infrastructure at every BharatNet OLT location will be as per the classification of cities / towns vide Govt. of India Department of Expenditure O.M. No. 2(13)/2008-E.II (B) dated 29.08.2008 and modified vide Govt. of India Department of Expenditure O.M. No. 2/5/2017-E.II(B) dated 07.07.2017. Charges on the basis of classification of cities/towns for: (a) building space and (b) infrastructure services shall be as mentioned in Clause 3.4.1 and 3.4.2 herein.

#### 3.4.1 Charges for Building space

S.N.	Classification of cities/ towns*	BSNL rate of Charges as on 01.07.2022*	Discount	Round off Charges w.e.f 01.07.2022 (Rs. Per annum per bay)
1	X	2,12,681	20%	1,70,145
2	Y	1,65,419	20%	1,32,335
3	Z	91,901	20%	73,521

\*The rates are based on BSNL tariff circular issued for every financial year and will be enhanced by 10% in every financial year. GST as applicable will be extra.

#### 3.4.2 Misc. Infrastructure Service Charges

S.N.	Classification of cities /towns*	BSNL rate of Charges as on 01.07.2022*	Discount	Round off Charges w.e.f 01.07.2022(Rs. Per annum per bay)
1	X	10,21,107	20%	8,16,886
2	Y	9,18,996	20%	7,35,197
3	Z	6,89,245	20%	5,51,396


\*The rates are based on BSNL tariff circular issued for every financial year and will be enhanced by 10% in every financial year. GST as applicable will be extra.

Note: In case DC power requirement will be more than 10A per transmission bay, then proportionate increase will be applicable. Other terms and conditions remain same.

3.4.3 BSNL shall maintain the OLT infrastructure for at least 99% of time, on monthly basis. For below 99% uptime, the payment shall be made on pro-rata basis in infra service charges (3.4.2 above) (i.e. Monthly Charges multiplied by Percentage of Monthly Uptime).

3.4.4 No payment shall be paid for OLT infrastructure service charges (3.4.2 above), where uptime of an OLT is below 70% for that month.

3.4.5 Invoices submitted by BSNL are to be finalized in 60 days time from the date of submission subject to submission of invoices complete in all respect.

  
(0001 1000)  
(S.N. KAPOOR)  
उप. प्रशासक (T-II) U.S.O.F.  
दूरसंचार विभाग, भारत सरकार  
दूर. अ. विभाग, Govt. of India  
(New Delhi)



### 3.5 NETWORK OPERATIONS RECORD

BSNL shall keep a record of the OFC transport network covered under the scheme, along with the equipment details and OFC connectivity of nodes, network bandwidth created and provided to various Service Providers, types of traffic transported from different nodes and also maintain Service Provider-wise and node-wise faults and rectification reports of the OFC system and associated infrastructure and other related details in respect of the service rendered, which will be produced before the Administrator or TRAI, as and when and in whatever form desired. To improve the technical feasibility of reports, the Network Operation Centre (NOC) will be upgraded suitably with support from USOF.

### 3.6 PERFORMANCE LEVEL

3.6.1 BSNL has been assigned the work of O&M and FLM of BharatNet (except State-led model under Phase-II) and its associated fiber network through various vendors by an open and competitive bidding process. The role of BSNL is only executing and supervising agency through its vendors. The penalty / incentive will be applicable on its vendors as per terms and conditions of the tender. However, BSNL is subject to indirect penalty as Administrative Expenses and Establishment Charges (AE&EC) is payable to BSNL as percentage of vendor payment.

3.6.2 The Service Level Agreement, penalty and incentive as per tender terms and conditions are enclosed as **Annexure-I**.

### 3.7 RIGHT TO INSPECT, TEST AND MONITOR

The Administrator or his authorized representative shall have the right to inspect the OFC network, the associated nodes. BSNL will provide the necessary facilities at its own cost for monitoring of the system, as required by the Administrator or its authorized representative(s). The Inspection will ordinarily be carried out after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

### 3.8 Monitoring Mechanism

3.8.1 BSNL shall make available the real time data of operational status of the OLTs/ONTs (GPs), Wi- Fi Access Points, FTTH connections etc. through web and app. based access to USOF and all stake holders. All the reports which are feasible at the moment will be provided. The monitoring mechanism will be integrated with USOF PM tool.

- i) GPs up/down (incl. progress during the week)
- ii) FTTH live on NOC
- iii) FTTH time series data for last 12 months
- iv) Data consumption time series for last 12 months
- v) OLTs up/down (incl. progress during week) - Including time series for last 12 months




All the above reports, which are being provided till 30.6.2022, will continue to be provided. However, after the NOC is upgraded rest of the report will also be provided.

3.8.2 The following standing committees shall ensure monitoring/steering of the O&M of the BharatNet project under this Agreement

- i) Empowered Committee at DoT: Chaired by Secretary (T), the committee is empowered to decide on any new issue or modification pertaining to operation and maintenance of the network.
- ii) State Broadband Committee – The convener of the committee at the State level shall bring in agenda of the operational status of Gram Panchayats in the State along with any issues pertaining with State Government such as issues related to power connections, building issues, security of equipment, OFC damages etc.
- iii) District /BA Level Telecom Committee – The convener of the committee shall also include agenda related to O&M of BharatNet and status of BharatNet O&M in the meetings with any issues related to the district required for the improvement of uptime of the network.

3.8.3 Management committee of BSNL is empowered to take decisions on day to day issues pertaining to O&M of BharatNet under this Agreement including one time repair of GPs, length of replacement of OFC under planned maintenance/shifting of GPs, procurement of spares, etc within the overall expenditure approved by DCC under intimation to USOF.

  
(अशीष कपूर)  
(ASHISH KAPOOR)  
उप प्रशासक (संयोजकी-II)  
By. Administrator (T-II) U.S.O.F.  
पुरसंचार विभाग, भारत सरकार  
Dept. of Telecom, GOvt. of India  
नई दिल्ली/New Delhi

  
MUKESH MANDAL  
GM (Bharat Net-II)  
BSNL Corporate Office  
New Delhi

# SECTION-IV

## FINANCIAL CONDITIONS

### 4. Payment Schedule

4.1 The payment from USOF to BSNL includes preventive and corrective maintenance cost of OFC, cost of FLM including spares, one-time replacement of damaged OFC network and repair of faulty GPs, scheduled maintenance of OFC network on annual basis, Administrative Expenses and Establishment Charges (AE&EC), payment of leased OFC charges and payment of space & infra charges.

4.2 BSNL shall raise separate invoice/requisition for each item of work including mobilization advance namely O&M of OFC Network, Space & Infra Charges and Fiber Leasing Charges.

### 4.3 O&M of OFC network of BharatNet Phase-I and its associated infrastructure:

4.3.1 The payment from USOF to BSNL towards O&M of OFC network of BharatNet Phase-I and its associated infrastructure through outsourced Fiber Maintenance Agencies (FMAs) will be made as per actuals based on tender discovered cost or other reasonable method, if required, within the prescribed guidelines.

4.3.2 Taxes, if any, shall be paid on actuals. Any input Tax Credit Generated and availed by BSNL shall be adjusted against the project cost.

4.3.3 The AE & EC shall be payable to BSNL at the rate of 16.5% of basic cost on the actual paid amount to the vendor as per its contract. GST on AE & EC amount will be paid extra.

4.3.4 Initially, Payments towards OFC Network maintenance (inclusive of GST amount) shall be made to BSNL for one quarter in advance by USOF. BSNL will raise claims on quarterly basis in arrears along with actual payment certificate for the quarter to the vendor duly certified by GM (Finance)/IFA of BSNL Circles, to the respective Controller of Communication Accounts (CCAs) being the nodal agency. The annual utilization certificate duly certified by statutory auditor shall also be submitted by BSNL. The advance for the quarter shall be adjusted / refunded during the last quarter of financial year. Subsequently, advance for first quarter for the new financial year shall be made to BSNL and adjusted/refunded in the last quarter of financial year on the same lines as above.

4.3.5 The 50% advance for planned maintenance and planned shifting shall also be paid along with advance as stipulated in clause 4.3.4.

4.3.6 The payments shall be made as per the Service Levels prescribed in BSNL tender and payment shall be made accordingly.

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4.3.7 The 100% advance for cost of spares to be procured (5% of OLT cards and 10% on ONT and accessories) on placement of PO will be paid by USOF along with advance as stipulated in clause 4.3.4.

4.3.8 Advance for one time repair of faulty GPs will be paid at the time of Agreement for approximately 20% GPs @ Rs 10,000 per GP. At the end of two months another tranche for approximately 20% GPs @ Rs, 10,000 per GP will be paid. These amounts are over and above the advances stipulated in above clause 4.3.4.

4.3.9 The sanction for the advance adjustment will be given in 60 days from the date of submission of invoices, and utilization certificate, subject to submission of invoice complete in all respect.

4.3.10 The initial advances as above will be paid to BSNL by USOF. Subsequent payments based on actuals and adjustment/refund of advances paid, will be done by concerned CCA offices. The advances provided shall be adjusted/refunded during the last quarter of the same financial year.

#### 4.4 Payment Towards Fiber Leasing charges

4.4.1 BSNL shall provide the dark fiber from its Underground Optical Fiber and /or Aerial Optical Fiber as the case may be at the rate of Rs.18,000/- per fibre Km per Annum. Taxes as applicable will be paid.

4.4.2 In case multiple fibers are leased in the same cable, the additional fibers shall be considered for payment at the rate of Rs. 15,000 per fibre per Km per Annum.

4.4.3 BSNL shall provide discount @ Rs. 10,000/- per OFC route Km (Route Km) in lieu of O&M of the same being reimbursed by USOF.

4.4.4 Initially, the payments towards Fibre leasing charges (inclusive of GST) shall be made to BSNL for one quarter as advance by USOF. This advance equal to one quarter of fibre lease charges shall be adjusted / refunded in the last quarter of the same financial year in respect of fiber lease charges. Subsequently, advance for first quarter for the new financial year shall be made to BSNL and adjusted/refunded in the last quarter of financial year on the same lines as above.

4.4.5 The billing of fibre lease charges will be done by BSNL at the beginning of each quarter in advance and will be submitted to O/o respective CCA.

4.4.6 The payment towards fiber leasing charges shall be made on quarterly basis on receipt of advance bills within 60 days of submission of requisite invoices and documents, subject to submission of invoice complete in all respect.

4.4.7 No AE & EC shall be payable to BSNL for this head of expense.

4.4.8 Invoices submitted by BSNL with due certification need to be given approval in 60 days, subject to submission of invoice complete in all respect.

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#### 4.5 Payments towards Space and Infrastructure

4.5.1 The charges for space and infrastructure at every BharatNet OLT will be as per the classification of cities / towns vide Govt. of India Department of Expenditure O.M. No. 2(13)/2008-E.II (B) dated 29.08.2008 and modified vide Govt. of India Department of Expenditure O.M. No. 2/5/2017-E.II(B) dated 07.07.2017.

4.5.2 Initially, the payments towards Space & Infrastructure charges (inclusive of GST) shall be made to BSNL for one quarter as advance by USOF. This advance equal to one quarter of Space & Infrastructure charges shall be adjusted / refunded in the last quarter of the same financial year in respect of Space & Infrastructure charges. Subsequently, advance for first quarter for the new financial year shall be made to BSNL and adjusted/refunded in the last quarter of financial year on the same lines as above.

4.5.3 The billing of Space & Infrastructure charges will be done by BSNL at the beginning of each quarter in advance and will be submitted to O/o respective CCA.

4.5.4 The payment towards Space & Infrastructure charges shall be made on quarterly basis on receipt of advance bills within 60 days of submission of requisite invoices and documents, subject to submission of invoice complete in all respect.

4.5.5 Any adjustment/credit due to service level prescribed under this Agreement for each quarter will be reflected in the bills of next to subsequent quarter. For example, the credit due to service level as per Agreement for the 1<sup>st</sup> quarter will be given in the bills of 3<sup>rd</sup> quarter.


4.5.6 The adjustment/credit amount along with SLA details as per service level will be duly certified/ approved by BharatNet BA head/ a GM level officer posted at circle office executing this task.

4.5.7 No AE & EC shall be payable to BSNL for this head of expense.

4.5.8 Charges towards Building Space

S.N.	Classification of cities/ towns*	BSNL rate of Charges as on 01.07.2022*	Discount	Round off Charges w.e.f 01.07.2022 (Rs. Per annum per bay)
1	X	2,12,681	20%	1,70,145
2	Y	1,65,419	20%	1,32,335
3	Z	91,901	20%	73,521

\*The rates are based on BSNL tariff circular issued for every financial year and will be enhanced by 10% in every financial year. GST as applicable will be extra.

  
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#### 4.5.9 Miscellaneous Infrastructure Charges

S.N.	Classification of cities /towns*	BSNL rate of Charges as on 01.07.2022*	Discount	Round off Charges w.e.f 01.07.2022 (Rs. Per annum per bay)
1	X	10,21,107	20%	8,16,886
2	Y	9,18,996	20%	7,35,197
3	Z	6,89,245	20%	5,51,396

\*The rates are based on BSNL tariff circular issued for every financial year and will be enhanced by 10% in every financial year. GST as applicable will be extra.

BSNL shall maintain the OLT infrastructure for at least 99% of time, on monthly basis. For below 99% uptime, the payment shall be made on pro-rata basis in infra service charges (i.e. Monthly Charges multiplied by Percentage of Monthly Uptime).

No payment shall be paid for OLT infrastructure service charges, where uptime of an OLT is below 70% for that month.

Invoices submitted by BSNL are to be finalized in 60 days from the date of submission, subject to submission of bills complete in all respect.

**4.6** BSNL will maintain a separate bank account for this activity regarding third party payments. The amount received in advance will be kept in the separate bank account and will be utilized for the O&M of the BharatNet phase-I network. The details of the bank account will be shared by BSNL to USOF. All the concerned CCAs will make the payment from USOF to this separate account of BSNL.

**4.7** BSNL shall submit the circle-wise claim for each quarter along with supporting documents within 30 days of the end of the quarter to the respective CCAs. Subsequent to the submission of claim by BSNL, the respective CCA offices shall settle claims of BSNL on quarterly basis, based on claim statement and certified ( by Bharatnet circle head) supporting documents for SLA, penalties and incentives, within 60 days from the date of receipt of claim from BSNL.

#### 4.8 Annual Audit

The aforesaid requisition of fund by BSNL for each financial year shall be required to be audited by the auditors of BSNL appointed under Section 225/Section 619 of the Companies Act, 1956. The report of the Auditors should be in the prescribed form given in **Annexure-II** to be filed with the Administrator USOF within 7 (seven) calendar days of the date of signing the audit report but not later than 30th September of the following year.

**4.9** No interest shall be payable for any short/late payment made to BSNL by the Administrator USOF.

**4.10** Administrator, USOF reserves the right to prescribe procedures, formats and certificates with respect to physical and financial progress of the project, financial reports for reconciliation and verification. Depending on the stage of completion of the project and requirements, the same may be prescribed which has to be furnished by BSNL.



**4.11** In order to ensure proper utilization of funds released and verification thereof, the Administrator can modify, alter, or substitute and amend, if deemed necessary, whatever is stated herein with mutual consent.

#### **4.12 Bank Guarantees**

Performance Bank Guarantee (PBG) is not required from BSNL so long as BSNL continues to be wholly owned by the Government of India.

#### **4.13 Maintenance and Supply of Records**

4.13.1 The Administrator shall have the right to call for and BSNL shall be obliged to maintain, supply and provide for examination the relevant NOC (Network Operation Centre) data, books of accounts, measurement books, log books and any record(s) relating to this project.

4.13.2 BSNL shall invariably preserve all accounting records for three (3) years and other records (electronic as well as hard copy) for a period of one year from the date of publishing of duly audited and approved accounts of the company. Any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give cause for cancellation of the Agreement.

4.13.3 The relevant records of BSNL shall be subject to such scrutiny as may be prescribed by the Administrator so as to facilitate independent verification of the amount due to BSNL as funding from USOF.

#### **4.14 Monitoring Mechanism**

The progress of the O&M work shall be monitored through the Centralised Network Operating Centre (NOC) and the access to the same shall also be provided to USOF/CCA. The reports shall be made available as required in para 3.8.1 or as required by DoT/USOF. BSNL shall provide necessary data / progress reports / funds utilization reports or any other reports whenever required by DoT/USOF.

#### **4.15 Right to Inspect**

USOF/CCA shall have the access to all physical and financial records and systems pertaining to the work at all times. All signatories to this Agreement shall facilitate the inspection of the project assets by and verification of records/systems by USOF/CCA to ensure proper utilization of the funds disbursed.

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# SECTION-V DEFINITIONS

## 5. Interpretation of Terms/ Definitions

Unless the context otherwise requires, the different terms and expressions used shall have the meaning assigned to them in the following paragraphs:

5.1 **ADMINISTRATOR** means the Administrator, Universal Service Obligation Fund in the Department of Telecommunications under Ministry of Communications.

5.2 **AGREEMENT** shall mean the Agreement signed by BSNL with the Administrator, related to Operation and Maintenance, First Line Maintenance of the BharatNet Phase-I Network for provision of Broadband connectivity to the Gram Panchayats to be executed by BSNL.

5.3 **EFFECTIVE DATE** is the date on which this Agreement comes into effect.

5.4 **SERVICE AREA** means the territorial jurisdiction as specified under the Basic Service Licence except the areas that may be notified to be excluded from time to time.

5.5 **TRAI** means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.

5.6 **USO** means Universal Service Obligation as enunciated in Indian Telegraph Act and the Rules framed there under.

5.7 **USO FUND** means the fund established under Indian Telegraph (Amendment) Act, 2003, Indian Telegraph (Amendment) Act, 2006 and Rules framed there under.

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### Annexure-I

#### A. Service Level Agreement hereinafter referred as SLA for O&M of BharatNet Phase-I:


The following SLA parameters are to be maintained by BSNL through the vendors entrusted with the work of maintaining the network

SLA Parameters			
Sr. No	Parameter	Permissible Range	Remarks
1	OLT wise all GPs-UP Time	≥98% for hilly areas. ≥ 99% for plain areas	Based on availability from NOC. Exclusions only due to Force Majeure Clauses, OLT power down and Electric connection unavailability.
2	No. of OFC cut/Block /month	One cut if the OFC RKM in the block is ≤50; Two cuts if the OFC RKM in the block is >50 and ≤100; N cuts if the OFC RKM is >50(N-1) and ≤50N	

Note:

1. In house Trouble Ticket Module developed by BBNL will be used for capturing the fault status which will in turn be used for SLA calculation through the SLA module.
2. SLAs to be calculated OLT wise and penalties to be imposed on monthly basis.
3. BSNL shall get the SLAs achieve through the vendors, else the corresponding penalties will be imposed on them .
4. Wherever Electricity Connection is not available in the GP – Exclusion of down time after discharge of battery set shall be allowed in SLA..
5. The shutdown taken for maintenance of fibre by FMA shall be excluded from SLA.
6. If electric supply is not available and the battery is unable to take load such down period of OLT/ONT will be excluded from SLA.
7. No exclusion except above or force majeure cases.

  
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**B. Penalties for O&M of BharatNet Phase-I:**

The following penalties are proposed to be imposed on the vendors maintaining the network.

Sl. No.	Item	Hilly		Plain	
		GPs availability/Up Time	Penalty	GPs availability/Up Time	Penalty
1	Penalty against % availability	≥98%	No Penalty	≥99%	No Penalty
		>=96 to <98%	*	>=97 to <99%	*
		>=94 to <96%	6%	>=95 to <97%	6%
		>=90 to <94%	20%	>=90 to <95%	20%
		>=80 to <90%	45%	>=80 to <90%	45%
		>=70 to <80%	75%	>=70 to <80%	75%
		Below 70%	100%	Below 70%	100%
2	Block wise Fibre cuts/faults per Month	N cuts if the OFC RKM is >50(N-1) and ≤50N	NIL	On Block wise (based on total GPs in the Block) monthly payment	
		Above N cuts/fault / Month or part thereof	Rs. 5000/- per cut/fault		

\* In plain area at 99% availability the penalty is zero and from 99 %to 97% penalty will be proportionate to SLA availability, For example for availability of 97.56% , it will be rounded off to single digit after decimal i.e.97.6 and penalty will be 99-97.6=1.4%. Similarly for hilly area at 98% availability the penalty is zero and from 98% to 96% Penalty will be proportionate to SLA availability. For example for availability of 97.54% it will be rounded off to single digit after decimal i.e. 97.5 and penalty will be 98-97.5= 0.5% .

Note: SLA will be calculated OLT wise (i.e. all the GPs connected to one OLT) month wise.

**C. Incentive:**

Payment against Incentive shall be made quarterly on performance as under:

In case there is no fault/damage to the OFC in a Block, the Bidder shall be awarded an incentive package to be paid at the end of the quarter based on the following:

- 0.5% of total O&M charges for each month if there is no fibre cut in a month.
- Additional 0.5% of total charges in case there is no fibre cut for consecutive three months.

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**Annexure-II**

**Format for Annual Auditor's Report on Statement(s) of Requisition & Utilization of Funds :**

To

The Board of Directors  
.....  
.....

We have examined the attached Statement(s) of Requisition of Funds from USO Fund of M/s Bharat Sanchar Nigam Limited for the period ending \_\_\_\_\_. We understand that the aforesaid statement(s) is /are to be furnished to the Central Government for assessment of the fund payable to M/s Bharat Sanchar Nigam Limited by the Government, in terms of the Agreement No. .... for release of funds for Operation and Maintenance, First Line Maintenance of the BharatNet Phase-I Network for provision of Broadband connectivity to the Gram Panchayats.

We report that:

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion and to the best of our knowledge and belief and according to the explanations given to us, the Statements have been prepared in accordance with the conditions contained in the said Agreement and clarification thereon in this behalf and gives a true and fair view of the funds requisitioned and utilised for the period computed on the basis of the aforesaid conditions.

**(NAME AND SIGNATURE WITH COMPANY'S SEAL)**



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