



# SANCHAR NIGAM EXECUTIVES' ASSOCIATION

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**SNEA/CHQ/CMD/2018-21/136**

**Dated 23.06.2021.**

To

**Shri. P. K. Purwar,  
Chairman and Managing Director,  
BSNL, New Delhi.**

**Subject: Total failure of cluster maintenance contract for landline and BB connections. Very poor maintenance resulted large scale surrender of landline & BB connections (about 1 lakh per month) – urgent need for review and re-working on the tender reg:**

- Ref: 1. No: SNEA/CHQ/DIR(CFA)/2018-21/02 Dated 30<sup>th</sup> December, 2019.  
2. No: SNEA/CHQ/CMD/2018-21/64 Dated 13<sup>th</sup> January, 2020.  
3. No: SNEA/CHQ/CMD/2018-21/66 Dated 17th January, 2020.  
4. No: SNEA/CHQ/DIR(CFA)/2018-21/03 Dated 20th April, 2020.  
5. No: SNEA/CHQ/CMD/2018-21/107 Dated 18.09.2020.

**Respected Sir,**

During last few years, Landline/BB segment and EB segment protected BSNL from collapse when Mobile revenue dwindled. The landline revenue was almost steady, EB revenue increased exponentially. Now situation changed and landline/BB revenue also coming down drastically due to the large scale surrender of landline and BB connections, almost 80,000 to 90,000 per month.

This is mainly because of the utter failure of the cluster maintenance contract resulting very poor maintenance. From the beginning itself, we expressed our serious doubts about the success of the tender for land line and BB maintenance through the cluster system. **Almost all the CGMs and many SSA Heads raised so many points but BSNLCO was not at all ready to listen to them. Top BSNL Management was very confident about the success of the new tender and the cluster system.**

**After one year, it is established that the new exercise was a total failure in many ways:**

- Tens of thousands of landline and BB connections are closing every month due to poor maintenance, making huge financial loss to the company,**
- Practically no maintenance taking place in many clusters but vendor got uninterrupted payment due to the loopholes in the tender,**
- The rate was exorbitantly high, almost 3 times, comparing to the expenditure incurred per line during previous years.**

**I.** The contractors were mainly selected among the Franchisees (by relaxing the tender conditions to favour them), who don't have any previous experience in land line maintenance or cable jointing. They were not all familiar with the geographical area or the customer premises. The experienced small contractors and labours were deliberately sidelined and eliminated to favour the Franchisees. The experienced labours and cable jointing workers left the scene putting the entire maintenance into a mess as seen today. Management focus was limited to removing the labours, who really maintained the network for many years under the supervision of BSNL employees.

**II.** Tender finalization was done by BSNLCO, without fully knowing the ground realities. Fixing uniform rate of Rs 35.00 was the best example where the minimum labour rate vary from State to



State. Local conditions and availability of experienced contractors etc not taken into account. Tender should have processed locally considering all these aspects with some general guidelines.

**III.** The cluster payment has given highest priority even more than salary payments, statutory payments, electricity payments etc. Cluster payments taken place unabated when labours worked in the company earlier were waiting for their payments for months and years together.

**IV.** The contract for cluster mtce failed mainly as there is no inbuilt mechanism in the tender to monitor the performance of the contractors by the cluster-in-charge, they became helpless. Almost all the provisions, including the capping on penalty at 15% was in favour of the vendor.

**V.** The cluster in-charge could not take any action against the erring contractor as their hands are tied. Further they don't have any other alternative mechanism to maintain the services on termination of the contract/tender as no temporary advance given to meet such situations. Many contracts where SLA is not meeting for months together is compelled to continue as there is no other alternative.

**VI.** It was told that very high rates are offered in the tender to have better maintenance and upkeep of the external plant by procuring the store materials by the contractor itself. In fact this was the biggest loophole in the tender, favouring the contractor. When contractor was liable to procure the store items like UG cable, jointing kits, UY connectors etc by their own, there is no enabling provision in the tender to ensure or verify by the cluster-in-charge that contractor purchased the material or utilized the same for the maintenance purpose. Many contractors done the maintenance for more than one year, simply on paper and earned money without procuring any store material like UG cable, jointing kits, UY connections, etc. Cable faults simply rectified by changing the pair, without attending the faults or making joints. Cable replacement not taken place at all. Fault clearance and closing the docket was the only criteria.

**VII.** In many occasions, cable faults and other are not attended for many weeks, leading to Non Payment and finally disconnection. Majority of the connections closed/surrendered due to poor maintenance.

**VIII.** We are constrained to point out that paying incentive to the cluster partners against high ARPU customers even without meeting the bench marks by diluting the original tender condition is a fit case for vigilance inquiry. **Imposing penalty and paying incentive simultaneously to one and same contractor can be seen in BSNL only.**

**If the present cluster maintenance contract is continued, it is sure that in another 2 to 3 years time, our cable network will be collapsed and entire landlines will be closed.**

**If top BSNL management intention is to close down CFA segment with landline and Broad Band business, it can continue with the present cluster system. Otherwise, it is to be reviewed and re-worked considering the shortcomings observed in the field units while operating the tender. For that top BSNL management has to listen to the CGMs, SSA Heads and the Executives working in the field units. Instead of silencing them, BSNLCO has to inject confidence in them to speak out the truth and ground realities. Otherwise top Management and CGMs has to take responsibility, why landlines and BB connections are closing so rapidly, almost 1 lakh per month, seriously impacting BSNL revenue.**

With kind regards,

  
(Sebastin. K)

23/06/2021

**Copy to:** 1. Shri. Anshu Prakash, Secretary, DoT for kind information pl.

2. Smt. Anita Praveen, Addl Secretary, DoT, Sanchar Bhavan for kind information pl.

3. Shri. Vivek Banzal, Director (CFA), BSNL Board for info and necessary corrective actions pl.

4. Smt. Yojna Das, Director (Fin), BSNL Board for info and n/a pl.

5-7. Director (HR)/ Director (CM)/ Director (EB), BSNL Board for info and n/a pl.